

KINU-KPSA Joint International Forum

KOREAN  
UNIFICATION  
*from an*  
INTERNATIONAL  
PERSPECTIVE

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Korea Institute for  
National Unification

**KOREAN UNIFICATION  
FROM AN INTERNATIONAL PERSPECTIVE**

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KOREAN UNIFICATION  
FROM  
AN INTERNATIONAL PERSPECTIVE

Schubert Hall, President Hotel  
July 20, 2012

*Organized by*  
Korea Institute for National Unification  
& the Korean Political Science Association

*Sponsored by*  
Ministry of Unification

# PROGRAM

09:00-09:30 REGISTRATION

09:30-10:00 OPENING SESSION

Welcoming Remarks: **Hosup Kim**, President, KPSA

Opening Remarks: **Taewoo Kim**, President, KINU

Keynote Speech: **Chun-Sig Kim**, Vice Minister, Ministry of Unification

## SESSION I

### BENEFITS OF KOREAN UNIFICATION I

10:00-12:00 Chair: **Jung-Hoon Lee**, Yonsei University

**G. John Ikenberry**, Princeton University

**Fei-Ling Wang**, Georgia Institute of Technology

**Peter Beck**, Asia Foundation

**Zhu Feng**, Peking University

**Andrei Lankov**, Kookmin University

**Tatiana Gabroussenko**, Korea University

**Sachio Nakato**, Ritsumeikan University

**Sandip Kumar Mishra**, University of Delhi

**Jeffrey Robertson**, Department of Parliamentary Service,  
Parliament of Australia

**Dinna Wisnu**, Paramadina University

12:00-13:30 Lunch

**SESSION II****BENEFITS OF KOREAN UNIFICATION II**

13:30-15:30 **Chair: Hyun Chong Kim**, Former Trade Minister/UN Ambassador

**G. John Ikenberry**, Princeton University

**Fei-Ling Wang**, Georgia Institute of Technology

**Peter Beck**, Asia Foundation

**Zhu Feng**, Peking University

**Andrei Lankov**, Kookmin University

**Tatiana Gabroussenko**, Korea University

**Sachio Nakato**, Ritsumeikan University

**Sandip Kumar Mishra**, University of Delhi

**Jeffrey Robertson**, Department of Parliamentary Service,  
Parliament of Australia

**Dinna Wisnu**, Paramadina University

**Discussants for Session I and Session II**

**Jinwook Choi**, Korea Institute for National Unification

**Sukhee Han**, Yonsei University

**Yong Pyo Hong**, Hanyang University

**Sung-il Hyun**, Institute for National Strategic Studies

**Jangho Kim**, Korea Institute for National Unification

**Yong-ho Kim**, Inha University

**Taehyun Kim**, Chung-Ang University

**Sang-Hyun Lee**, Ministry of Foreign Affairs and Trade

**Jae-Jeok Park**, Korea Institute for National Unification

**Ho-Yeol Yoo**, Korea University



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## PREFACE

The Korean Political Science Association (KPSA) and the Korea Institute for National Unification (KINU) jointly held an international conference on the topic of “Korean Unification from an International Perspective” at the President Hotel on July 20, 2012. This conference was a part of our ongoing efforts to promote international cooperation for Korean unification, which is sponsored by the Ministry of Unification.

The goal of the conference was to evaluate the issues involved in Korean unification from an international perspective. For instance, how do the neighboring powers view Korean unification? What are the potential benefits of Korean unification for the region’s security and economy? And how can Koreans promote international cooperation for Korean unification?

The conference invited ten foreign scholars on North Korea, Northeast Asia, and international politics from the U.S., China, Japan, and Australia.

This book is the result of the conference, composed of ten presentations and discussions. I have to say that presentations, not papers, are published for this book. Although presenters prepared papers, the presentations delivered key messages much more effectively than the papers and match much better with the discussions.

I am indebted to many people for the successful completion of the conference and the publication of this book. I am deeply grateful to KPSA President Kim Hosup and KINU President Kim Taewoo for their understanding and supporting this joint conference, when I proposed and implemented it as a vice president of KPSA and a project manager of KINU Unification Forum.

I am also grateful to our staff members for their assistance. I deeply appreciate the assistance of an ad hoc team organized for this conference, Lee Kyunghwa, Kim Yongsang, Kwon Jiyeon, and others. They handled all the jobs for the conference from booking plane tickets to taking photographs. Lee Kyunghwa's competent management was an indispensable factor which secured the success of the conference.

October, 2012

**Choi Jinwook**



# OPENING SESSION

**Welcoming Remarks**

**Hosup Kim** (President, KPSA)

**Opening Remarks**

**Taewoo Kim** (President, KINU)

**Keynote Speech**

**Chun-Sig Kim** (Vice Minister, Ministry of Unification)



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## Welcoming Remarks

**Hosup Kim**  
President, KPSA

Honorable Vice Minister Chun-Sig Kim, President of the Korea Institute for National Unification Dr. Taewoo Kim, and distinguished foreign scholars and ladies and gentlemen, on behalf of KPSA, the Korean Political Science Association, I feel very pleased and honored to make the opening remarks of the international forum, Korean Unification from the International Perspective. This forum is jointly organized with KINU, Korea Institute for National Unification and sponsored by the Ministry of Unification, Korea.

The Korean unification issue involves many important and serious aspects of the peace and prosperity in the Northeast Asian region, such as international political economy, human rights, and cultural perspectives.

This forum is a part of the ongoing efforts to promote international understanding of the unification issue and to promote the international cooperation of the unification process if it has already begun. The goal of this forum is to evaluate the issues involved in the Korean unification from the international perspective with a special focus on the potential benefits of Korean unification to the peace and prosperity of the Northeast Asian region.

Today's forum includes a panel discussing the leadership change of

the U.S., Taiwan, and Korea with special attention to implication for the Korean Peninsula.

On behalf of KPSA, I would like to express my special thanks to foreign scholars who come a long way to Korea to participate in this international forum. I hope this forum will provide us with new perspectives, and insights to help the Korean scholars and academics to promote international cooperation for Korean unification. Thank you.

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## Opening Remarks

**Taewoo Kim**  
President, KINU

Hello, everybody. I'd like to be informal rather than formal. I am Taewoo Kim, president of KINU, Korea Institute for National Unification. Thank you very much for your being with us today.

In the minds of researchers at my institute, there are two different unification clocks: one is a clock of agreed unification, the other is an objection to unification clock. Interestingly, two clocks are moving in different ways. When North Korea continues to sacrifice other things for the sakes of survivability of their regime, then the clock moves to midnight—I mean the clock of objection moves to midnight. When North Korea accommodates reforms and opening and tries to become a different country, a normal country, then I think the clocks of agreed unification will move toward midnight. So, this is what the situation we are being faced with.

Frankly speaking, we don't know what's happening exactly in North Korea. And we don't know what will happen in North Korea near future and the impact it will have on these two clocks. But one thing very clear is that any mountain can collapse at any time. Long, heavy rain can make any huge mountain collapse at any time. So, a constant question we should ask to ourselves is "Are we really prepared for all unification scenarios?"



In this context, I'd like to tell you very briefly about the Korea-Australia bilateral dialogue on Korean unification hosted by my institute just a few weeks ago. At that conference, the Australian delegation said, "Should South Korea be in need of outside assistance for the sake of unification, Australia will always be there." They also emphasized, South Korea and Australia, countries sharing the same democratic principles and values, will have to cooperate until the unification. A unified Korea will provide Australia with more opportunities for prosperity.

Today, I'd like to transfer the same message to you and the countries you are representing. South Korea has special reasons to extend its unification diplomacy toward middle powers: Indonesia and many countries you are representing here.

As you know, South Korea is surrounded by four great powers, and Korean unification is possible only when those four powers support that with one voice; but that is not possible at this moment because of more conflicting interests. You know already a Sino-American confrontation, Sino-Japanese rivalry, and reemergence of Sino-Russia-North Korea triangle. They have all complicated the geostrategic landscapes of this issue. So, we have ample reasons to do our best to expand our diplomatic horizon.

This morning, I'd like to ask that you will become our friends and supporters of Korean unification. My institute, KINU, will do its utmost to prove, predict, and verify that a unified Korea will provide you benefits rather than bane.

I wish you will become our friends and supporters for Korean unification and in this sense, I thank you very much. Particularly, I thank president and members of KPSA, Kim Hosup and his members for arranging this forum, which can be a good venue to build up such kinds of trust and friendship. I wish that you have a very productive debate and a memorable time this morning. Thank you very much.

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## Keynote Speech

**Chun-Sig Kim**

Vice Minister, Ministry of Unification

Good morning ladies and gentlemen. I am Vice Minister of Ministry of Unification. It is nice to be here with you. I would first like to congratulate the opening of the international forum jointly held by the Korean Political Science Association and the Korea Institute for National Unification. I am all the more pleased to deliver this keynote address before Hosup Kim, the president of KPSA, and President Taewoo Kim of KINU, and leading scholars from home and abroad assembled here this morning.

KPSA and KINU which have provided us with this opportunity for discussion have conducted diverse research for the better future of the Republic of Korea and its people. Addressing our age-old desire for national unification, their ongoing commitment to studies on inter-Korean relations and issues surrounding the Korean peninsula has helped steer government policies in the right direction. They have also reached out to the private sector as well helping to create national and international consensus on Korean unification. I would like to take this opportunity to offer my sincere gratitude for their endeavors.

This is an important event where we have gathered to enhance the international perspective that a unified Korean peninsula is beneficial to Northeast Asia and on the whole is essential to the peace and stability

of the global community. Upon this opportunity, we also seek to foster cooperation and communicate to both Koreans and the world at large that it is important and necessary to pursue unification diplomacy.

Therefore, I am honored to stand before you today to speak on this topic of this forum, the benefits resulting from unification. I'd also like to take this time to thank KPSA and KINU for giving me such a rewarding experience.

As national unification means bringing together two distinct systems, institutions, and contrasting people of the North and South, it is sure to involve complications of cost and work. In the case of Germany's unification, the costs incurred were immense, and when the associated repercussions were widely known, it was perceived that unification is expensive and that it is expected to cause social unrest. A number of people have caught on this idea, and they do not seek unification, but claim that we should maintain the divided status quo.

The division of the Korean peninsula continues, and with post-war generations on the rise, some people have come to believe that national unification is unnecessary while others have just become indifferent to the issue. It is true that some are hesitant about unification because they view the costs as being too high, and yet they are often unaware of the hefty price we pay for the divided states.

Before I discuss the benefits associated with unification, let me first light on the costs arising from managing the divided Korean peninsula. The biggest price we pay is the threat to our national security. North Korea has time and again engaged in threats and provocations against the South and this has become a drawback in our national development, since we largely rely on our credit ratings. Considering the size of our economy, the high cost of national defense is a heavy burden on our state.

The price we pay to protect our national security is great, and this

has always been a drawback in our journey to become an advanced nation. It is also a disadvantage that will be handed down to our future generations. This comes to show that we are far from using our resources in a more future oriented approach toward national development, and this is certainly detrimental to our national competitiveness.

A divided Korean peninsula is also a great detriment to our economy. Both North and South Korea are constrained from achieving economies of scale, investment opportunities are limited as well as the possibility of expanding economic cooperation with neighboring countries. Despite our center location in Northeast Asia, our deadlock situation has severed transport, trade, and energy routes in the region, and though we cannot measure this in quantity, the political, social, and cultural loss of our divided state is also tremendous. National unification will mean an end to all these costs, and the benefits and advantages of a unified Korean peninsula will far outweigh the sacrifices we make today.

The money that goes into achieving national unification, in other words, unification costs, aren't mere expenses, but an investment that will reap future rewards. Korean unification will not only result in economic benefits, but will also lead to other gains such as putting an end to fear of war, the instability caused by nuclear development, and the suffering of separated families, conflicts of ideologies, and human rights infringements. Economy wise, a unified Korea is expected to attain a population of 80 million, leverage the economy of scale with new growth drivers, and become the 7th largest economy in the world.

Furthermore, unification between the two Koreas will allow the countries to connect the East and West, and bridge the Asian continent with Pacific nations. At present, there is instability caused by inter-Korean confrontation, and North Korea's nuclear development. This has also led to discord among neighboring countries. National unification can be the

fundamental answer to these issues that surround the Korean peninsula. This will enable us to take more responsibility and exert our better stance to prevent confrontation among the neighboring states, and maintain regional stability.

Throughout history, despite many attacks from outside forces, the Korean people have lived in peaceful coexistence. As such, our national unification will pose no threat; but will work to enhance the interests of neighboring countries. Such an outcome will be pursued by means of establishing friendly ties and contributing to the stability of Northeast Asia.

Considering these multitudes of benefits, then the question would be “what can we do to achieve this?” National unification isn’t something others can do for us, it is up to the Korean people to cooperate and take initiative, and our willingness is the most critical factor that will determine our success. Without the will to act, it would just be empty words.

Our next step is to make our determination known and to follow suit with preparatory measures. It is important for us to take necessary steps for national unification. Without our lead, it would be difficult for the international community to give support. If we do not wish for a unified Korea, this outcome would be unattainable. At present, however, the prolonged years of our divided state is slowly eroding the will of the Korean people, and our younger generations are becoming increasingly indifferent to national unification.

The ROK government recognizes this as a critical time and has called for extraordinary measures. Before it’s too late, now is the time to take the initiative and rekindle the flames of hope for national unification. As part of this effort, the Ministry of Unification has proposed to launch the “Unification Jar” campaign, which aims to provide the necessary funds that are required for a unified Korean peninsula. The “Unification Jar”

represents our preparatory endeavors to garner the determination of the Korean people and demonstrate our willingness at home and abroad. We believe that when people make voluntary donation, they will think of unification, and this will in turn strengthen their willingness to such a desired outcome.

Words without action lack credibility therefore taking substantial steps in raising necessary funds will allow the international community to have confidence in our efforts, trusting that we will strive toward Korean unification. I believe that our younger generations will also grow alongside these efforts by gaining more confidence and a sense of responsibility.

Up until now, we have merely focused on the peaceful management of the status quo. We have done so because of the painful memories of war. This too is important, but now we need to go beyond our past efforts and work toward building a better future for the Korean people, and it is essential that we find insight and wisdom in making these substantial preparations for a peaceful unification on the Korean peninsula.

By peacefully achieving unification, we the Korean people would have faith in ourselves and be able to redirect our efforts to achieving peace and prosperity in Northeast Asia. I believe a unified Korean peninsula can play a leading role in this age of regional prosperity based on communication and cooperation. This is in line with realizing the aspirations of the Korean people, and welcoming a new beginning for Northeast Asia.

At present, the Korean peninsula and the global community are at a crossroads. Many experts from home and abroad note on the changing dynamics of the world order, and the paradigm shift in civilization. Amid these changing times, the Korean government will need to actively

respond to the demands of this day and age. Making substantial preparation for national unification, in that sense, is our historic mission, and undertaking efforts to provide the funds is an important first step to take.

The “Unification Jar” campaign is designed to raise funds, but also to garner public willingness for Korean unification. This campaign is our historic duty for national development, and should be joined nationwide setting aside political differences to find a solution to our age-old division. From this achievement we will surely be a step closer to a unified Korean peninsula.

Distinguished guests, keeping peace and stability on the Korean peninsula, improving inter-Korean relations, and achieving peaceful unification are vital missions that will safeguard our future. Former German President Richard von Weizsäcker once said that prepared unification is a bliss; in other words, unprepared unification can cause us great suffering. Therefore the Republic of Korea will need to conduct substantial preparatory measures to achieve national unification. When Korea becomes a unified state, I am confident that we will be at the forefront in upholding universal values, and advancing the development of the Northeast Asian region and the world at large.

Today is a rare opportunity where we have many prominent scholars from home and abroad joining us. As this is the case, I wish this academic forum a great success and hope you will share your insight and contribute to productive discussions that sheds light on the benefits national unification brings to the Korean peninsula and the international community.

Lastly I would like to thank those who have worked hard to put this forum together, and once again I thank the president of KPSA and KINU, and I thank you all for joining us. Thank you for listening.

**SESSION I**

**BENEFITS OF  
KOREAN UNIFICATION I**





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## Session I

Chair: **Jung-Hoon Lee**, Yonsei University

### **Jung-Hoon Lee** (Chair)

Good morning everyone. I would like to first commend president Hosup Kim of KPSA and president Taewoo Kim of KINU for organizing this most timely and critically important conference on this topic. I think Vice Minister, Chun-Sig Kim of the Unification Ministry has very eloquently laid down the commitment of the South Korean government as well as the reaping benefits of the unification.

Unification is something that we here in Korea always think about and envision. And yet, something has remained quite elusive. It is a difficult proposition. I think you all know that the North Korean Workers Party's by-law clearly commits to unification on their communist system. At the same time I think you all know that the South Korean Constitution, article 4, also clearly states that unification can only take place under liberal democracy, which is our way.

So, there are, of course, difficulties. But we are not here to talk about the process and how the unification actually takes place. We hope that this conference will focus on the benefits of unification and we are trying to build a consensus, especially amongst the countries in concern. This is something that would eventually lead to the prosperity and peace, contribute to the prosperity and peace not only of the Korean peninsula,

but of the region as a whole and to the world politics.

I think the environment is really becoming more and more propitious for this. North Korea, I think you all heard in recent days the purging of the general Ri Yong Ho. There seems to be lots of power struggle going on, they are under great stress in terms of their economic situation. I believe that the democratic movements, Jasmine movements in the Middle East probably have positive spillover in North Korea. There is also social network, which will no longer tolerate the kind of human rights violations in North Korea so on and so forth.

So, I believe that the international environment is becoming more and more favorable to putting the pressure on North Korea and hopefully, eventually, leading to unification. To discuss these issues, we have really outstanding panel of international scholars on these and international relations issues.

This morning in session one, I will just list them down. A couple of people have not been able to make it, but we will kick-off two sorts of presentations by Professor Wang Fei-Ling and then Professor Zhu Feng. They will speak for about 15 minutes, which will be followed by Dr. Peter Beck of Asia Foundation, Professor Tatiana Gabroussenko of Korea University, Sachio Nakato of Ritsumeikan University, Sandip Kumar Mishra of University of Delhi, Jeffrey Robertson of the Parliament of Australia, and Dinna Wisnu, Paramadina University of Indonesia.

Jeffrey Robertson and Dinna Wisnu actually will be keynote speakers in the second panel. So, maybe they can limit their discussions to commentaries in the first session so that in the end we'll have some time left, maybe hopefully about 30 or 40 minutes to have some exchanges. This is really about sharing insights and information, and brainstorming so that we can prepare for ultimate unification and our take on these issues is something that is going to benefit all. It's a

win-win-win-win situation. Without further ado, please let me turn to Professor Wang Fei-Ling of Georgia Institute of Technology.

**Fei-Ling Wang (Georgia Institute of Technology)**

Thank you, Professor Lee. Good morning everybody. It's truly a great pleasure for me to be here again. I see many old friends here and meeting new friends. In the next 15 minutes or so, I will be sharing with you some of personal observations and personal thinking about Korean unification.

I will be focusing mainly on what I see as the benefits, costs, and uncertainties involved with possible Korean unification. I'm required by DOD regulations, the U.S. Department of Defense regulations, to make a disclaimer that whatever I say today only reflects myself, because I am currently working at the U.S. Airforce Academy as well. What I say here does not in any way at all representing the U.S. Airforce, Airforce academy, or the U.S. government. So, it's my personal view.

First, I think that Korean unification is a process, is an objective long overdue, and can be hugely momentous. I cannot say really nearly as eloquent as Vice Minister Kim has already just said. Korean unification will have great benefits for everybody and the division of Korea has incurred tremendous costs to Korea as a nation, and to the region. Thus, I am not going to repeat all these things, and just very quickly go over what I've prepared here.

Let me quickly summarize what I see as why the Korean unification is long overdue and it's very much desirable. First of all, Korean unification will finally conclude the Cold War and finally put Cold War back to the history museum. This is the last major segment of Cold War that has remained unfinished.

Secondly, the Korean unification will help erase the only hot clash that ever happened between the USA and PRC. This will help to really set the historical record right and also face up the past and move on. The Korean unification will also remove, as Vice Minister Kim said very eloquently, a very big irritant to many countries. That is to get rid of a trouble-maker, if you will, sort of in a permanent way. Korean unification would also have to remove a very lasting source of conflict and tension. North Korea seems to be enjoying causing trouble, rocking the boat, and causing a little bit of an incident here and there. Unification obviously would remove that. As Vice Minister also said very clearly, it will help reduce the security-related spending in Korea and so on.

So, there are reasons why Korean unification should take place, and actually should have taken place a long time ago. In my opinion, Korean unification would truly allow for a genuine regional reconfiguration. As you all know, many East Asians have dreamed for some kind of regional integration or regional community, the so-called EAC. East Asian Community idea has been on the drawing board for a long time. Many people in Japan, China, and Korea are very interested in that profound course. But the problem is that without Korean unification, it is going to be very difficult to have. A Korean unification would truly set a regional reconfiguration for good or for bad.

Last thing I want to mention on this particular issue is I think Korean unification probably, I am not a hundred percent sure, but probably it's going to be a key to a lasting peace in East Asia. In a minute, I will come back to why I said "probably, not a hundred percent sure."

More specifically, I think that Korean unification entails great benefits for many countries, for many peoples. First of all, it would unlock great potential of the economic development on the Korean peninsula. If you have already been really impressed, as I have been always by the Korean

ingenuity, Korean innovation, Korean manufacturing industry, and so on, wait until you see the whole Korean peninsula is united.

The great potential is really significant. That would be a good thing for the world economy for everybody. The Korean nation will undoubtedly achieve a very high level, much higher level of development and empowerment. Korea would be truly a really significant power to be reckoned with 80 million people and plus, a territory twice as large. Korea can do much more to advance itself and contribute to the world.

Of course, to have a peaceful, hopefully, unification of the Korean peninsula, we also have to get rid of a long-time problem of global proliferations of WMD (weapons of mass destruction) especially in terms of missiles and nuclear materials. Those things of course have been always on the radar screen of many countries' leaders. Therefore, Korean unification clearly has these great tangible benefits.

Something less tangible is that Korean unification would allow for what I consider a rethinking and reconstruction of bilateral and multilateral relations in the West Pacific. Most specifically, Korean unification will allow the United States, China, and Japan as well to rethink about how to base their relationships. Therefore, it could really bring in a new era for the international relations in the whole region.

Having said all these great things, positive things and hearing the calls of Vice Minister Kim, to share the wonderful news about the great benefits of the Korean unification, I, as an observer, think it is important for me to share with you what I see as some great uncertainties associated with Korean unification. Those uncertainties can be really outlined in the following.

First, uncertainty is clear: that is, we still have questions unanswered and probably nobody in this room, maybe probably somebody in this room can, but I don't have the answer to those questions. That is, will

Korean unification be peaceful? Are we sure? What does it entail? Would it draw outside powers into conflict again, like it did before? In other words, would the Korean War be repeated to some extent, if Chinese, American, or to less extent, Japanese, Russians behave in a way, less than a perfect coordination. Then, Korean unification may not necessarily peaceful. That's an uncertainty.

The second uncertainty is: Will the Unified Korea remain to be an ally of the United States? We don't know. Hopefully it will, but there's uncertainty. Even though this uncertainty may not be very big, all indicators seem to be suggesting that Seoul will remain to be loyal and friendly ally to the United States even after unification. But uncertainty always remains because of the reconfiguration of regional geopolitics.

The third question is more to the point: what would it take for Beijing to give up on Pyongyang? Without Beijing's "abandoning of Pyongyang," peaceful or non-peaceful unification of the Korean peninsula is going to be hard. But what kind of price would it take? Would it be worth it and to what extent? Those are the uncertainties.

Finally, the question I wanted to share with you today is will Korean unification lead to pacification or explosion of Korean nationalism? Korean nationalism has become powerful, of course, driving the growth and development of South Korea. I have no doubt Korean unification will further validate and also enhance Korean nationalism down the road. But is that going to be a pacified, kind of happy ending of current nationalism or actually may lead to explosion of current nationalism? We actually have some reason to be uncertain about this particular issue.

Let me talk about the costs of possible Korean unification or probable Korean unification. Here, I am talking mainly about costs to China because that happens to be the country that I have been paying some attention to. I originally was hoping that John Ikenberry, who could not

be here today would tell us more about the costs to the United States. The division of labor now has to be changed, but nonetheless I am still focusing on what I see as the costs to China. Again, definitely correct me on this one if I make any mistakes here.

From Beijing's point of view, the unification of Korea is actually a kind of expensive proposition. It is not necessarily all beneficial. First of all, Beijing could lose the only formal ally it has had for decades. As we all know, China has always been very reluctant to sign any military or formal alliance with anybody. China has proudly declared it is not interested in alliances, groupings and so on. With one exception, the exception is that China has still a formal alliance with North Korea, the only formal ally China has at this moment.

There is an on-going discussion in China, as I have seen it, about maybe China should rethink about non-alliance policy to get some kind of alliances going. The Shanghai cooperation organization is not really alliance, but the pact between Beijing and Pyongyang is one. Therefore, not only China may lose the long-standing formal ally, China would also lose long-standing ideological comrade. Chinese leaders don't usually call foreign leaders comrades very often these days, except for North Koreans.

Secondly, for the Chinese to worry about, in terms of costs of the Korean unification is that this would be for the first time for China to have a vibrant and active democracy and free media right by its border, Yalu river and Tumen river. They are very close to the Chinese heartland. This would be the first time and the only time in the existence of the PRC. If I was sitting in the Zhongnanhai, I would be worried about this. This is a big challenge.

Thirdly, I think China would lose a major strategic interest that is now happily shared with the United States. The Korean peninsula, the Korean situation is one of the very few true strategic interests that Beijing



shares with Washington. This gives them a lot of reasons to be cooperating, to work together or at least to sit down in the same room talking about the same issues with roughly the same kind of objectives. Korean unification will unfortunately remove that and also will make Beijing to lose big strategic asset vis-à-vis the U.S. in the region.

Finally, this is probably less tangible than other costs to China. Korean unification is likely to energize Chinese nationalism and force Beijing's hand on Taiwan issue. If Koreans manage to unite two Koreas after all this struggle and hardship, what about Taiwan? Beijing's hands would be forced.

As you all know, the PRC currently very carefully and very effectively cultivates and utilizes nationalism as a new national ideology. Korean unification would make that nationalism going on steroid, and make the Chinese harder "to manage" from Beijing's point of view.

I think Beijing, because of these reasons, is expected to provide only lip service to Korean unification, as it has been doing for decades. Korean unification has always been supported by Beijing nominally, verbally, and officially. But Beijing is working to continue its policy of maintaining status quo. The first time I wrote about this was in 1993. Almost 20 years later, I have seen no differences in Beijing's main preference like status quo or everything else.

Unless, of course, three things could happen. First thing if any of those three things happened, or any one of those three things happened, or all three things happened at the same time, and then we would probably see a sea-change of Chinese foreign policy towards Korean unification. The three things are either the PRC politically transforms fundamentally at home or the Sino-American relations dramatically improves to the point where there is no open rivalry, there is no suspicion, or China securely dominates East Asia that the U.S. leaves

the region, or is substantially diminished or reduced. Pyongyang would become an amusement park. If that happened, then of course, that's possible. I think Washington, interestingly enough, also is reluctant about Korean unification for exactly the same three reasons from different angles.

Finally, like I said many times before, this is a bad message. Don't kill me as a messenger; you know I am a messenger for the bad news. The bad news is that the state of Korean unification is not entirely in the hands of the Koreans, unfortunately. It's still subject to the policy preferences of great powers outside, primarily China and the United States. Thank you for your attention, Thank you.

### **Jung-Hoon Lee (Chair)**

Thank you Professor Wang for your most open and insightful analysis on the issue. Now this will be followed by Professor Zhu Feng.

### **Zhu Feng (Peking University)**

Thanks Chair. First of all let me express great thanks to President Hosup Kim, and Dr. Jinwook Choi, so kindly invited me here. It is a very good chance for me to discuss such very challenging issues with my old friends in Korea.

I will also be handing a very brief paper online China's basic points for national unification of the two Koreas corresponding to the main subject of this session. It is the benefits of the reunification. I didn't touch a lot in my paper draft, let me start off a couple of my thinking on what sort of benefits China could reap from the national unification of the two Koreas.

First of all I have to say, yes of course it's a very net beneficial for China to look over if the two Koreas could truly get closer and also achieve their long overdue national reunification. I can easily figure out a couple of benefits which will spontaneously come to the China's eyes.

First of all, if the Koreas are ultimately unified, then eventually it unloads a big burden for China that is North Korea. North Korea is being prolonged trouble, and is harder to carry, and is a heavy burden for China since the outbreak of Korean War. Korean media and social report even in the past three decades, of the Beijing reform open up then the China's aid and assistance to South Korea accumulated a sum among the two of nearly \$100 billion. I think it's a double our case investment to China, and also in a way it's a very accumulated in the past two decades.

North Korea has not just squandered the taxpayer's money, they also defamed the China's foreign policy. There is prolonged controversy where we also see China has been always under fire for its very contradictory policy on North Korea. So, there is a lot of international speculation why China always gets stuck supporting North Korea. Recent debates just also very definitely point to some sort of illogic behind China's policy of the Korean peninsula.

On the other hand, we also see the Chinese dissatisfaction also mounted. Just two months ago, two Chinese fishing boats were very recklessly just hijacked and they got very inhumanely treated, and that irritated the Chinese. I think the Chinese media and the Chinese public opinion have never been involved in some sort of North Korea policy debate, where the majority of the respondents say "why should we always favor North Korea? The result is we are also undermined."

I see the growing dynamic of the Chinese mentality and Chinese thinking about North Korea. Now the trend is very clear cut, it's not

in North Korea's favor. It's in the disfavor of North Korea. The Chinese people got more inclined to see that North Korea is not just a troublemaker but also is a growing uncertainty. Probably future scenario China doesn't want. There is also increasing sense in my country.

So, we need to review, we need to overhaul our policy of North Korea. I think the voice has never been getting louder about how to make up their mind and maybe disconnecting our relations will also more profitable. Such a view has usually also emerged, not as loud as presently, but as I say, the fishing boat hijack served as a tipping point and very decisively smashed the Chinese long-term psychology to make North Korea some sort of positive strategic asset. I see a lot of such dynamics.

Second benefit I can share with you in the eyes of Chinese is unification also will help remove the Chinese international image. North Korea is now some sort of trouble and the Chinese policy has long been treacherous. It is also getting more difficult for China to explain very explicitly and very conceivably, why we still so rigidly moved on from some sort of traditional policy to patron North Korea.

I got invited to different international occasions, every time we debate about China's policy controversy of North Korea. We always feel very awkward and uncomfortable. So then, it is almost very expected that China could help handle North Korea through national unification. Now, that does not mean the family control system will come to the end, that also means the human rights abuse and North Korea asylum seekers issue will be totally ironed-out. Then, of course that will be a big plus to the China's foreign policy.

It will help remove big disappointing points between the U.S. and China. For example, Hillary Clinton, I see she has now a big China fatigue. She travels a lot but quite seldom stops over China. I think one

of the reasons is that she finds it difficult to discuss North Korean situation with her counterparts. The North Korean issues very obviously in the past few years get the U.S. in a bad mood.

Of course, for example, our Korean friends have been very angry, and Japan raises its concern. Against this backdrop, there is no way for China to easily exit such diplomatic tangle. If the North Korean issue could be settled, of course, we cannot just dodge the bullet. We can also agree to a new era for East Asian members to become more productive and more constructive for regional peace.

I think the third benefit we can easily find out from the reunification of the two Koreas would be a big boost for Chinese economic integration and particularly have a lot to gain the Northeastern part of China, stepping in some sort of economic booming course. China has a big territory, but now China is divided with regard to the different area of economic performance. Northeastern part of China has been relatively more backward than the coastal areas. Then, in the past years, Beijing, along with the local governments in Northeastern China very clearly announced a couple of very ambitious economic development plans, the “Northeastern China Economic Revitalizing Plan.” Then, two years ago the central government also announced, the “Changchun, Jiling, Tumen Economic Development Plan.” Those two economic plans keep very close eyes on openness between Northeastern part of China and Korean peninsula, and targeting some sort of closer integration in terms of capital, service, labor force, and even the market.

But my view is very clear: without North Korea’s openness and unification, such economic plans targeting revitalizing the local economies in the Northeastern part of China can’t bear the fruits. Only with North Korea’s openness and sequential unification, then the Northeastern part of China could pull the booming economy of the ROK into that area.

So, the future integration between the Northeastern part of China and a unified Korea will lay out the only way for the revitalization of Northeastern China's economy.

We also could have a lot of such very positive envisioning of how such a prospect will come to. For example, in the past 10 years Beijing has built a very great highway and airwork, and also built a very great fast track to gate the Northeast Asia and China, very easily connecting the North Korea. For example, we have seven highways connecting Northeast China and North Korea. Without the North Korea's openness, without the very easy inter-threading cross entire Korean peninsula, such an infrastructure now just sits idle. It can't produce any substantive economic effects.

It is a very seductive prospect for the local governments in Northeastern part of China, as long as the unification could achieve. Then Northeastern China would be very rapidly and very amazingly integrated into some big economic area with unified Korea. I think probably it is the only way for us to think about the future regional economic development in the Northeastern China.

On the other hand, we also see Russia's growing interest in exploration of Siberia area. For example, Moscow has proposed pipelines, connections through the North Korea. This plan also got a lot of support from China. If unification of the two Koreas could truly be achieved, then China, Russia and a unified Korea could become some sort of new triangle of energy and resource industries. So, it is a very fantastic recycling of all elements to boost the economic prosperity in the Northeastern part of the Asian continent.

The fourth point I would like to share with you is a unified Korea will reduce regional security costs. I think it is very likely. But the problem is in what way and to what extent reunified Korea will contribute to

a regional security architecture, which has remained unanswered. But at least unification of Korea will be a starting point. So, I can't agree with the Vice Minister of Unification, Mr. Kim's presentation. But I can be very optimistic about what sort of boost for the regional security cooperation will emerge after the unification is achieved. But at least we can also very optimistically envision what the options emerging from unification are and it will be a big push for some sort of better regional security architecture.

Given such very easily identifiable benefits, why does China hesitate? Why is China always hesitant to help achieve or boost the national unification? I think the reason is also very simple because we see such benefits but simultaneously we also see horrible trade-offs. So, it's probably a big contradiction. We can perceive the benefits, but on the other hand it is also expected we are still marred in some sort of horrible trade-offs. So, let me also very simply lay out a couple of tradeoffs, horrible tradeoffs we also have in mind, to affect China's response.

First, of course there is growing uncertainty about the China's future relation with a unified Korea. Will it be friendlier? Will it be less hostile? Will it be chilly? Or will it be more hostile and less friendly? The answer hasn't been insured for the time being.

Second, we are also very hesitant to estimate, for example, what are the undermining consequences we will suffer. Or in another way, how the cost of the reunification process will also affect China. Or how costly it also will be for Chinese? For example, we'll have to suffer from fleeing of refugees, also have to suffer from a big fear of the nuclear accident if it's mishandled. Then we'll also have suffered from some sort of growing strategic anxiety about whether or not America will move troops up to the Yalu river.

I think such an uncertainty truly is a big factor to get China to

drag their feet. Another point I think which will also be very integral to China's tradeoff thinking is: what the U.S. will do with a unified Korea? Will it use a unified Korea as a gateway to tight encirclement or will be some sort of new occasion to rebuild strategic trust and get less involved in geostrategic competition over Korean peninsula? So far, that question has also been far from answered.

Let me come to my conclusion. My view is this. The Beijing consensus has never been clearer. We also see that the unification process usually is a matter of the Koreans; it depends on the Korean's will, strategic capability, and your determination. But on the other hand we also see some sort of tradeoffs now brewing. That's why there is controversy over China's hesitation. But anyway, I don't think Beijing would like to stand in the way of the unification of the two Koreas. If two Koreas decisively move towards reunification, I think the China's role will be positive. Let me stop here. Thanks.

### **Jung-Hoon Lee (Chair)**

Well, thank you Professor Feng. Both Professor Wang and Professor Feng have laid down the costs and benefits of the unification and addressed many issues including what it means in terms of the larger Sino-US relations. As we go around, I hope some of the issues that have been raised by Professor Wang and Zhu Feng could be addressed. Let me now turn to in the order as listed down in the program, Peter Beck.

### **Peter Beck (Asia Foundation)**

Thank you Chairman Lee, and I would also like to thank KPSA for inviting me to this gathering. It is great to able to meet old and



new friends, and to share ideas about Korean unification. Unfortunately I must ask that my comments be off the record. *[redacted]*

**Jung-Hoon Lee (Chair)**

Thank you Peter for drawing on the timeframe the catalysts for change that will make unification possible, and also various scenarios and how we can go about preparing for what might be inevitable or not so inevitable. These are things that hopefully we can discuss further.

We are actually running out of time. I would appreciate it that next speakers to look at me once in a while. So, I can indicate sort of how you are doing with your time, and I would really appreciate it if you could keep less than 10 minutes. Let me now turn to Tatiana Gabroussenko.

**Tatiana Gabroussenko**

**(Korea University & University of New South Wales)**

Good morning everyone. I am representing myself today, but I am from Korea University right now and I also represent the University of New South Wales. That is why the topic of my presentation today is Unification and its impact on Australia.

But before I start my talk, I would like to say a few words related to the previous Peter Beck speech, because I was very impressed. Particularly, what I would like to point out is the issue of inevitability of unification. I totally agree with your estimations because my area of primary investigation is North Korean propaganda. What I noticed recently is a quite dangerous tendency because while before the normal drive of the whole North Korean propaganda towards unification, was

driving towards the idea “*Chosuneun hanada*” and “we are all Koreans,” and just recently I noticed quite dangerous tendencies which drive popular opinion of North Koreans towards different directions. Some sources now point to the fact that South and North Koreans they are from different bases, historical bases, not just only political ones. Even people, they are people from different areas of Korea and mental differences are sometimes irreconcilable. That is an important thing, I think. It probably could be one of the problems in the future, that North Korean policy makers are trying to stop the process of unification, as the sources of propaganda can tell us.

But, if we presuppose that unification will actually take, and the final version will be the enlarged version of contemporary South Korea, which means liberal democracy, which would be based on the idea of development, and certain degree of nationalism, so that the best scenario for us and I would like to present a few remarks, how this type of unification will impact, how it will influence Australia.

First, at present, as the history of Australia’s interaction with Korea indicates, Australia is likely to take an active stance when the unification will finally come. Despite the economic distance and size, it has chances to become one of the most active participants in the post-unification development.

At present South Korea is Australia’s fourth largest trading partner while Australia’s trade with North Korea is practically non-existent. Australian exports to South Korea are mainly the sales of mineral resources. In 2010, four major export items were coal ore, iron, crude petroleum, copper ore and all these items combined constituted slightly more than half of the total Australian merchandise exports to Korea. Educational services also featured prominently in the trade balance. Economy-wise unified Korea is likely to enter a period of advanced

economic growth, immediately after some possible violent dislocation and turmoil.

In the present condition all North Korean infrastructure is almost dysfunctional and we will have to reconstruct it from scratch. All these activities will obviously require a significant input of raw materials, and therefore one should expect that at early stages of post-reunification reconstruction. Northern part of Korea will constitute a fast-growing market for Australian mineral resources. Also whatever the future unification of Korea will take, it seems that for the duration for two or three post-unification decades the Northern part of the country is destined to become an industrial and manufacturing zone, because unfortunately North Koreans are lacking the skills which are necessary in this post industrial and knowledge-based economy. So, it seems that primarily, it will be more or less, old fashioned kind of economy. So, the Northern part of Korea will become a land of new-found huge assembly plants quite similar to South Korea in its 70's and 80's. If it is going to happen, North Korea will be in high demand for Australian exports for years to come.

Another area of potential interest for Australia is the future exploration and development of North Korea's mineral wealth. Unlike resource-poor South Korea, North Korea has significant deposits of mineral. Resources include coal, copper and iron ore. So far these resources remain under exploited due to infrastructure and logistical problems as well as lack of technologies which are needed to find and extract these resources.

After unification, this immediate problem will be resolved, and Korea will need advanced technology and foreign capital as well to improve its utilization of the mineral wealth. Australia as a mineral exporter itself is quite well-positioned to become a provider of expertise related to

exploration and extraction.

South Korean companies are not in position to complete in this course, chiefly due to the fact that they never had the need to develop the technological capability to deal with mineral resource development on a significant scale. At the same time, the participation of China and Chinese companies in such projects is problematic from a political point of view because the government of unified Korea is likely to be put Chinese influence over their economy of their Northern provinces of the Korean peninsula.

Australia being a quite distant geopolitical actor is the least likely to be suspected of harboring some suspicious geopolitical interests. It is also likely that Australia's agricultural producers will benefit from the emergence of a unified Korea. North Korea is not a good place for production of food stuffs even at the best of times this country was never able to feed themselves, and there is little doubt that the introduction of rational economic policy and modern agricultural technologies will have beneficial impact on this local North Korean agriculture. However, the geographical and climatic conditions mean that North Korea is rather unsuited to agricultural production. So, the Northern provinces of unified Korea, as they develop, will become a significant net importer of food and it could benefit Australian farmers as well.

In short, unification of Korea is likely to produce a larger and more lucrative market for major Australian exporters and will bring important benefits to the Australian economy. As for political impact, Australia is also likely to benefit from the emergence of the unified Korean state, because it will bring stability in the region and will be highly beneficial for the whole region. Therefore, it is good for Australia considering that East Asia is the Australian key trading partner.

### **Jung-Hoon Lee (Chair)**

Thank you very much Tatiana for your very detailed look into the possible benefits for Australia in terms of the unification. Let me now quickly move on to Dr. Sachio Nakato of Ritsumeikan.

### **Sachio Nakato (Ritsumeikan University)**

Thank you very much, chairman. My name is Sachio Nakato of Ritsumeikan University, Japan. I am very glad to be here to share my ideas with excellent scholars here. I submitted a paper discussing whether or not North Korea is going to conduct the third nuclear test, so it is not really related today's topic, so maybe I should discuss a little bit about Japanese perspective on the Korean unification.

I would like to point out two points, because the time is limited. The first point is that I'd like to emphasize that the role of Japan it is very much limited in the process of the Korean unification. For example, Japan's policy towards North Korea is used to be called "dialogue and pressure," but there is no dialogue right now, only pressure, pressure, pressure. Japan has adapted basically North Korean policy called "comprehensive approach," which means Japan needs to solve nuclear problems, missile problems, and also abduction problems. Then, Japan can normalize with North Korea. This is basically Japanese policy towards North Korea.

But the problem is nuclear issues, and missile issues those are not issues that Japan can take important role. This is actually the issue between the United States and China, and maybe the DPRK. Therefore, this is more like a structure problem. Japan is always in a position to support the United States and South Korea. This is more like a structure

problem. Therefore it is very interesting to hear today's two presentations that the United States and China are reluctant or hesitant as far as the Korean unification process is concerned. If that is the case, probably Japan has no choice but follow the United States and China. Japan is always going with the United States as far as Japan's policy is concerned. Therefore, Japan cannot take a major role in the process of Korean unification.

The second reason this is related to the first point. If you ask to the people in the Ministry of foreign affairs of Japan whether Japan wants Korean unification, I am pretty sure that they would say yes. But on the other hand I heard from many scholars in Korea that people in Korea do not think that Japan wants a unified Korea. Yesterday a group of scholars, Japan experts from Korea came to our university to conduct a survey. This is about a public diplomacy project, supported by KINU. They came and they asked the scholars in Japan if Japan really supports the Korean unification and many Japanese scholars say "Yes, Japan supports Korean unification," but on the other hand, many scholars, many people in Korea including Japan experts are suspicious about Japan's intentions. So, there is a huge gap between Japan and Korea. This is a very interesting point.

Japan of course supports Korean unification, but with some conditions. From Japanese perspective, probably if South Korea takes a leadership role, and a unified Korea adopts western style democracy and market economy, there are no nuclear weapons too close to China, and if unified Korea has not take a hostile position towards Japan, then, Japan will welcome such a unified Korea. I'm not really sure if such a unified Korea is preferable from the perspective of Chinese and Russian, but from Japanese point of view if the unified Korea is such a country, then Japanese people will welcome it.

### **Jung-Hoon Lee (Chair)**

Ok. Thank you, Professor Nakato. Well, one thing for sure, with unification all your three problems that you have with North Korea would be immediately resolved, so that's a good thing. So, maybe you can go back to Japan and keep preaching that unification is good for Japan.

We now turn to Sandip Kumar Mishra from the University of Delhi.

### **Sandip Kumar Mishra (University of Delhi)**

Good morning everybody. It's my pleasure to be part of this wonderful forum. People from different countries have their own opinion about costs and benefits of reunification of Korean peninsula. I think it's a very important issue. My paper basically divides the people who are actually looking at Korean reunification into two sections. One approach talks about costs and benefits of reunification like how much it would cost and how much benefit you would get. On this basis in my paper, I have discussed how much cost will be incurred in Korea, it was estimated that it would be at least some trillion US Dollars.

Then I think we have to consider the cost of division, which continuously makes the government increase their defense expenditure of \$30 billion plus which is actually South Korea annual defense expenditure. If you take purchasing power parity I think North Korea estimated to be \$9 billion.

Many of you can say the cost of division was very elaborately described by the Vice Minister of Unification, Korea. But actually looking at benefits of unification, which is probably the main theme of this session, I feel it's very important. We have to look at benefits of Korean unification. It's going to provide lots of peace dividends. Actually, one

scholar from Peterson Institute spoke about “peace dividends.” I am not going to elaborate on it, but other scholars talked about the fact that Korea will have a bigger human resource pool and more natural resources.

According to one KINU report last year, the natural resources of North Korea were estimated to be more than \$6 trillion. I think this is also the issue of opportunity it is going to connect South Korea to Russia. It could help link Russia and South Korea. Gas pipelines and other energy resources could be easily brought in from that. Another benefit could be like great power, South Korea. Now people say that South Korea is a middle power in Asian politics but they don't have enough human and natural resources to become a great power. I think if it happens, 80 million populations and more resources would be helpful. But lots of things are beneficial.

This is one way to look at Korean unification how much is cost, how much beneficial. General perception about this approach, a general conclusion is that in short term it is costly, difficult, and painful, but in the middle term or long term it is very beneficial and helpful.

My paper talks about another approach which is also, in my opinion is more important than just looking at cost-benefit analysis. It's that historical imbeddedness of this issue of unification. Korea is probably one of the most homogenous countries in the world. Secondly, the division was not actually decided by Korean people, it was decided by external powers for their convenience. I think Korean identity will always remain fractured with the memory of Korean War and the memory of “*Hanminjok*.” That will always keep haunting Korean people if division does not end.

I think secondly, since division was imposed on Korea, I think the Korean pride would also be hurt. Actually, many international scholars say that if unification happens, maybe, there maybe another great power



struggle in East Asia. I think that's really unfortunate. I think Koreans can stand on their own, and they could be a very important constructive player in regional politics. That could happen. So, I think this overall understanding, this historical imbeddedness, if Korea remains incomplete, South or North, one part cannot be prosperous without being concerned about other part.

Take an example of India and Pakistan. India was also divided but they got independence. Demand of division was from Indian people, one part of Indian, Muslims who wanted to have a different country. But in the case of Korea it was not demanded by Korean people. So, I think it is a very different situation. The discussion of costs and benefits is ok, that's important. But also we need to think about this issue how much is historically imbedded.

I think it comes to how it will actually happen. If you look at modalities, it should be non-threatening. Actually, unification could happen by North Korean collapse, but for that we cannot have much preparation. If you are planning or preparing for unification, you are basically talking about something like a soft landing, peaceful unification, or staged unification. I think it is very important that we should not ask when unification will happen. It is not an event, actually. It would be better if it is a process, if happened in different stages.

For that, I think three important levels, we need to be involved. One is the domestic involvement in the sense of both South and North Korea. Since we are talking about the South Korean perspective, I think there's too much debate about costs and benefits, and that is probably the younger generation of South Koreans, they think in terms of this cost and benefit approach. I think we need to educate them, we need to debate, inform them that there are more than costs and benefits involved in Korean unification. I think that sense of history should also

be somehow inculcated.

In North Korean side, since we are talking about phased and peaceful unification, somehow South Korea could help North Korea to start reform. That could be like Chinese kind of reform or whatever North Korea decided.

The second important level is that we actually have to work, I think South Korea has to work, on an inter-Korean level. Definitely South and North Korea don't have enough trust. The problem is that the South Korean public feels that if North Korea becomes stronger after reform that would be more threatening for South Korea. But I think peaceful reunification that also demands that North Korea should reform, and have self-sufficient economy. I think in inter-Korean relations that trust-building must be there.

Finally, mentioned by several scholars, and especially the two main speakers of this session, the role of regional players, especially China. I think most people in last two or three years have said, and recent South Korean foreign policy they talk about, China versus the U.S., or the U.S. versus China. I think we need to think about a future-oriented diplomacy in which common security or cooperative security should be emphasized in East Asia. All the regional players need to be constructively involved in a common security framework to resolve the North Korea issue, and then I think approaching North Korea would be much easier. It doesn't mean that South Korea has to go near to China and abandon the United States. That idea should be inculcated. This regional cooperation will be important.

At the end of my presentation, I respond to your description in the beginning that both North and South Korea have their constitutions saying that the unification should be there on a condition. But in my opinion if you look at the joint declaration of South-North Korea, 1972,

1991, 2000, and 2007 also, I think they have reiterated that the goal of reunification is above idea, ideology, the system. I agree it is a complex issue, but there are enough resources in which this reunification issue could be approached. I will suggest that it should not only be looking at cost-benefits of Korean unification. That makes everything very narrow. I am not saying that it should not be there, but it should not be all. There should be more important and intangible issues involved. Thank you.

**Jung-Hoon Lee (Chair)**

Thank you. Thank you professor Mishra for a philosophical approach imbedded in the historical legacies and the emphasis on the process as we head towards unification rather than simply looking at the cost-benefits.

We have now Jeffrey Robertson and Dinna Wisnu, but as I have mentioned earlier since the two actually are the main speakers in the second panel, if I may suggest that maybe you can just raise a couple of points to some of the speakers.

**Jeffrey Robertson**

(Department of Parliamentary Service, Parliament of Australia)

Thank you for giving me the opportunity to speak. I think it is important to take it back to an international perspective because we heard the U.S. view, the Chinese view, Japanese view, and the Australian view. Always very important, I like to hear the Australian view. But, this is an international problem. South Korea is a very important aid and development partner to many countries. It's a member of the OECD,

development assistance committee. There are even some students in this room who have benefited from South Korea's scholarships. They go back to their home countries and show the benefits of Korea and bring their education back to their home countries, and it is a benefit to those countries.

After unification, will this occur so readily? After unification, in the school where I teach instead of having international students on scholarship, I can imagine there is going to be more North Korean students on scholarship. This is something to think about in the future, when unification occurs. There are also in South Korea many foreign workers on training and development programs, often they are looked at as a bit of a problem in South Korea, but they bring back important amounts of money back to their home economies. They bring back remittances which play an important role in their economies, and these are economies which their countries which sometimes there is no voice, there is no voice here at this table representing them. This is not just a major power issue, not just a middle power issue. This is an international issue which is something, particularly when there are no voices speaking for those people in those communities which are going to be affected, it's very important to consider.

**Jung-Hoon Lee (Chair)**

Now, Dinna.

**Dinna Wisnu (Paramadina University)**

Thank you for the opportunity. I am Dinna Wisnu from Indonesia, Paramadina University. And, as mentioned, I would rather just respond

to the presentations made by earlier presenters. Like everyone else said, unification of Korea is beneficial but it's costly and complex. That's what I hear from everyone.

But I think the level of complexity and difficulty towards unification wouldn't be as hard to manage if we were not overstating one aspect. That is the contestation of power between the U.S. and China. I know it is a very sexy term, you know, the contestation between the U.S. and China, but if we look at it too seriously or looking at it as too big of an issue, then we are probably going to be trapped.

On the one hand, we see that South Korea is having its insecure feeling with China and its behavior, one of the things that people have been referring to is that behavior of China in the South China Sea, for instance. How the China is trying to hold dearly North Korea created some resistance from South Korea to the idea of unification itself. On the other hand, China is also feeling insecure to the idea of unification because there is a long-lasting agreement between the U.S. and South Korea for being an alliance. So if these two aspects are not broken, this insecure feeling from the two countries, then it will be hard to talk about unification.

I see that there is a competition between China and the U.S., but let's not overstate it. Because I doubt that in the medium run, China is going to run for being world hegemony. I think not yet, at this moment. I don't know if China will be comfortable for me saying this, but let me just try. China may be a country that has a long experience of being a country, but, in the current model of global engagement, we can say that they are still in the teenage time. It has many things to handle, domestically. And they grow up while they have to manage many challenges in their politics and social issues. So, they are aware that they are taken seriously by the world and I think some of the leaders are

amazed by the attention given to what they have said and what they do. But economically they are not solid enough to actually make much a difference in being a world power. They're still in critical position, as well vis-à-vis the U.S., in terms of their interdependence and economic dependence.

I see that China is actually very open to engagement with the world and with the U.S. The important thing is for them actually not to feel more insecure. I think the more I see it, the more that many things that we have lately created their feeling of insecurity that increased their militancy. To China itself, I think this is a lesson to learn. There are quite many things that they shouldn't have taken too seriously. We need to engage China more into power sharing in the world, more economic cooperation, more openness in discussion about plans for the world, and more restraints in the idea, arms race or nuclear proliferation.

But it is true, I myself from Indonesia representing not only this country of 240 million population, but also neighbor countries in Southeast Asia. We see that world powers are still lacking the respect for values that other countries hold. We see that major powers are now simply looking racing for power and interests that they forgot that even the smallest country matter. Even the small country has to be respected for what they believe and what they want to do. This has to be reflected in attitude, in speech, and in dialogue. This must be reminded not only to the U.S., but also to China and other countries that have a desire to be major powers in the world.

In relation to North Korea, South Korea and unification idea, I think there is actually a room to push and to remind the U.S. and China to respect the importance of engaging other countries in the region, in the idea of unification, and not simply putting things in their own hands. Secondly, we call for South Korea, North Korea, and whoever wants to

be involved in the unification idea to appreciate the fate of millions of people in North Korea. I think in many dialogue that we have discussed, it's more about power, power and power and we haven't really counted how many lives may be affected by these policy talks. How many lives of the people will be affected by this insecurity of the government? So, I want to ensure that we're all aware that these are people with faces that whatever we discuss here will affect how they live as a human being. With that, thank you very much.

**Jung-Hoon Lee (Chair)**

Thank you very much, Dinna Wisnu. Excellent commentaries by both Jeffrey and Dinna. We now have about 15 minutes. What I'd like to do is maybe have about three or four commentaries or questions from speakers or maybe others on this round table, and then maybe finally come back to Dr. Wang and Zhu Feng for two minute wrap-ups.

I think that the recurring theme that came up was the importance of the positioning and the role the U.S. and China plays. I think maybe representing the United States, Peter Beck had his discussions. Can I just maybe very briefly also turn to Professor Helmut Norpoth at Stony Brook University, maybe you can just start-off with short brief commentary on some things that's been discussed which will be followed by maybe about three, four commentaries if you don't mind.

**Helmut Norpoth (Stony Brook University)**

I had one note that I made that I forget by now who brought this up, but I thought that historically speaking, peaceful unification may be an oxymoron. I was trying to think back in history about how many

peaceful unifications they are seen in history. I mean the German case recently, which sometimes maybe is held up as a template, may be quite exceptional. I would just throw it out. Maybe my history is not all that good, maybe many of you have many examples of peaceful unifications that you can see.

But I cannot think of too many. Historically unifications haven't come about by people just sort of settling their differences peacefully and agreeing on some common thing that doesn't happen. Also, they have been by force, by somebody taken over somebody else, and especially given the real deep divisions even though somebody said that Koreans are the most homogeneous people in the world, but I would say right now in terms of political distance, they are most distant that you can imagine. So, I just don't know. I just would like to throw it out and maybe somebody has some more hopeful prospects of unification.

**Jung-Hoon Lee (Chair)**

Somebody can have two fingers on this or maybe other commentaries? Professor Han, do you want to say something?

**Sukhee Han (Yonsei University)**

Thank you. Thank you for your presentations and comments. Reviewing your presentations I think one of questions is the big issue in the unification process. That is the U.S. army here, after the unification, whether the U.S. army will be here or not, will be a big issue between China and the United States.

At the same time, I think this issue is more of a result of how we perceive the unification, than how China and the U.S. approach to the



unification process. I think the major objective of this kind of conference from the KINU is to make unification is not only of affairs of Korea but also affairs of region, the countries. So, we have to cooperate to make this unification more peaceful.

As Professor Norpoth mentioned, it is exceptional that countries make peaceful unification. But nobody wants to have a military or violent unification. That is why we have to sit down and discuss this kind of confrontation. I'd like to hear from the U.S. and China side, what will be policy orientation for the U.S. army in Korea after the unification. Thank you.

**Jung-Hoon Lee (Chair)**

Dr. Hong?

**Yong Pyo Hong (Hanyang University)**

Thank you for excellent presentation from the scholars all over the world. I've got quick question about professor Wang's comments. You suggest as one of the benefits of unification that the Korean unification will reduce the concerns for the proliferation of the WMD. Do you think it is possible for Koreans to make unification under the condition in which North Korea still possess nuclear weapons? And then, if that is possible do you think the surrounding countries including China, the United States, Japan, and Russia will accept or support the kind of unification, again, in which the unified Korea has nuclear warheads. That's my question. Thank you.

## **Yong-ho Kim (Inha University)**

Vice Minister Kim already talked elaborately and eloquently about what the South Korean government thinks about the benefits of unification, so I don't need to add anything to that, I believe. I just want to make some comment on the discussion over the unification costs and unification benefits.

In the past, especially under the two liberal administrations led by former president Kim Dae Jung and Roh Moo Hyun, we weighed the cost of national division against cost of unification. Back then, the emphasis was more on the cost of unification, and we tended to say that unification costs are much, much greater, so we should put our attempt to unification aside. Then, under this administration we have renewed focus on benefits of national unification. When you add benefits of national unification with costs of national unification, the net benefits come out to be greater than the costs of national division.

I believe we should also consider the benefits of national division. In other words, rather than comparing two costs we should compare net benefits on both sides: net benefits of national division, and net benefits of national unification, Korean division and Korean unification. But, to both Koreans net benefits of national division seem to be negligible, we tend to ignore it because the negative element is much, much greater.

But, as we go around the table and discussed about the costs and benefits for surrounding countries and the international community and Northeast Asian region, it seems there's some sort of "benefit" from maintaining the status quo or benefits of national Korean division. That is the kind of things that make them reluctant to move toward Korean unification.

When you try to estimate, or figure out, differences of benefits and costs, my second point is that there are some tangible, concrete, or quantitative benefits and costs, as well as abstract, non-tangible costs and benefits. These non-tangible or abstract costs and benefits cannot be translated into the numbers and figures, and it is extremely difficult to compare, actually, the costs and benefits on either side. I guess it all depends on how much weight we put on each of these cost elements and benefit elements. Different countries have different set of ways to assign to different set of benefits and costs element.

My final argument would be maybe it's not worthwhile to talk about benefits and costs, after all. As some mentioned earlier, that this is not, especially colleague from India mentioned that pursuing national Korean unification is not a matter of cost and benefit analysis. It is rather a question of whether you have political will and ability to pursue that. And also for South Koreans whether they have political will and ability to persuade that countries to side with them in this direction.

This administration brought up the issue of benefits of national Korean unification on purpose, because this is a good way to persuade younger generation of South Koreans who do not care too much about national unification as well as the part of the population who tend to stay away from national unification. There are some political desires when they have put focus on this particular issue. But when we talk about whether Korean unification is necessary for the countries in the region or international community we should approach it from different angle. Thank you.

**Jung-Hoon Lee (Chair)**

A reiteration of the commitment why the reasoning behind

Unification Ministry focuses on this topic. I would like to turn to Professor Zhu Feng first, and then finally Professor Wang who will hopefully summarize and make sense of all this.

## **Zhu Feng**

I think the unification process will be a part of the social life all the complexity, a sort of psychological preference. So, my view is that the preeminent dominant feature of the future's process is not very physical or material, it's more psychological and even cognitive. For example, how will substantive China's fear for the future's prospect of reunification will be interpreted? I think the answer was always different among different respondents.

My view is that we can't just be always confined to cost and benefit formulation. I can't agree with professor Kim more. We should be probably the more visionary, and more committed to some sort of a new future. Then, of course we turn on to such a formula, liberalistic and ideational, but it will be more difficult to figure out an operation plan. For example, how the fear and confidence could be truly measurable. On the other hand, for example, how trust could be built on among the regional powers. For example, unification for two Koreas will complicate China-Japan relations, or China-Japan's rapprochement will be very unreliable and inseparable condition until either side feels more comfortable.

I think a key issue for me is some sort of political commitment. All regional members could also develop some sort of inter-governmentalism. Such inter-governmentalism has been proven from the EU process. It is not just happening in the economic field, it can also happen in the political field. I am really very hopeful that these on-going elections and

upcoming new leadership in China and Korea, also could ramp up a lot of energy into such a process, getting people closer, and negotiating. I think that will probably be a key to get the things done gradually. Thanks.

### **Fei-Ling Wang**

I think I learned a great deal from the participants. I am just going to use a couple of minutes to address a few things that have been raised. Professor Norpoth, I can't agree with you more, and I think unification by definition means losers and winners. There are going to be losers and winners and losers will not be easily going away without a fight, even though they may belong to the same nation. The German unification indeed is a historical exception, but let's not forget German unification took place because one side "lost" completely, and the one side gave up: their systems, their power disappeared. That's not violent, but it's the ending of a decisive kind of warfare, if you will. So, peaceful unification may indeed be a nice wishful thinking, may indeed be that case. I wouldn't go that far and say it's an oxymoron, but you know, pretty close. It's a wishful thinking, probably. It's a great thing, but good things in life are usually not there, they are in our imaginations.

Second point that I want to quickly address to is about professor Han's comment. He mentioned that Korean unification clearly is not a Korean issue, it is actually a regional issue, probably a world issue. I can't agree more with him. I think increasingly more than just Korean issue, it has always been not just Korean issue. I have a point I have been making repeatedly that is, the fate of the Korean unification unfortunately is not in the hands of Koreans all the time. It actually has great relevance to outside players.

Now let me go very quickly to Nakato's comment. I think it is a good comment. I agree with you that if Korean unification does not put united Korea too close to China, therefore not too far away from Japan, what's the point? See, that tells you, the outside interest is right there.

I think I really appreciate professor Wisnu's point, "let's not worry about individuals, the human right issue." I think that's really the emotional aspect of this problem. There are millions of people who are living substandard in North Korea, and are going to suffer more if the current division continues. Let's not forget that. That's something we sometimes tend to overlook.

Finally we quickly come back to the question raised by Professor Hong: very specifically regarding nuclear weapons and unification. In other words, can or should Korean unification be allowed to proceed if nuclear weapons exist on the Korean peninsula? Well, it depends who you ask. I think the United States would say no, I think so, because anti-nuclear proliferation has been U.S. policy and no matter whether it is North Korea or South Korea, the United States does not want to see a nuclear Korea. But, that does not mean that Koreans will never have nuclear bombs. Korea is a great nation, I think to some extent it's fully justified to have whatever they want: nuclear arms or what. So, I think that is probably the American position. The Chinese position is: "as long as they're good to me that may be fine." It is the Chinese position. The Japanese position would be: "hey, they got a bomb, why don't we?" So, it depends who you ask. Thank you.

**Jung-Hoon Lee (Chair)**

Thank you for that wrap-up. The beauty of this program of this conference is that the same panelists will be returning after lunch. So,

I know we've been very limited, we have such excellent group of people we can hear hours and hours, but we must come to an end on this morning session. But we will all be returning in the second panel and continue with the same discussion on this topic.

I think it is very clear that, my final word will be that Korean unification is beyond something that what Koreans can do. It is not just up to us. There are many external powers involved that has a say in how this goes, especially China and the United States. But at the same time, China, the United States, and the international community cannot force this issue on Korea either. So, it is a very tough situation and as you pointed out, whether it will be peaceful or whether it will be belligerent, we don't know that either. So, we're just trying to sort of say for that process and how we get there, but try to look ahead and discuss about once we get there, how this is going to affect the regional calculus and regional dynamics.

I'll just make my final two points. Especially on China, there were some concerns raised by the Chinese side in terms of, "Well, what if there is a different political system, democracy, right up in the Yalu river and all that?" but I genuinely believe that without North Korea, the Republic of Korea can be pretty much everything that China would ever want from Korea. I think that China can make a difference, I mean you talking about there has to be winner and loser, I think China can contribute to determining that winner and loser. It's just a question of when, and political decision.

Hopefully on that note we can continue with that discussion. I will conclude this very fruitful and interesting morning session. Thank you very much.

**SESSION II**

**BENEFITS OF  
KOREAN UNIFICATION II**





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## Session II

Chair: **Hyun Chong Kim**, Former Trade Minister/UN Ambassador

### **Hyun Chong Kim (Chair)**

Thank you, I would like to welcome back everyone to the afternoon session. For the sake of efficiency and to make it more interesting and more lively in the afternoon, what I would like to do is keeping in line with some of the topics that were discussed this morning, what I would propose to do is to ask Jeffrey Robertson from the Department of Parliamentary Service, Australia and also Dinna Wisnu from Paramadina University to speak for about ten minutes on their presentations.

Afterwards, as the moderator, I will throw out some thought, provocative issues on which the panel is more than welcome to discuss and participate, thereby raising the level of participation as well as raising the level of interest in the discussion. Let me now give the floor to Professor Wisnu, and I would be appreciative if you kept your presentation to ten minutes. Thank you.

### **Dinna Wisnu**

I will talk about the Indonesian perspective to Korean unification. The bilateral relationship between Indonesia and North Korea dates back

to 1961, and this is a bilateral relationship that never got sour and never breaks for years despite very limited human interaction between the two countries. The Indonesian embassy in Pyongyang said that they actually have very limited contact with people outside of the embassy; at best, the only North Koreans that they talked to are the translators, the drivers, and some military appointees that are rotated to work and talk and discuss with them, so there is very limited interaction.

But we know for sure that the strongest link between the two countries started at the era of President Sukarno, the first president of Indonesia, and Kim Il Sung of North Korea.

The culmination of the relationship was in 1964, when Sukarno publicly denounced anything American, including aid from America and Indonesia withdrew from the IMF, from the World Bank, and formed the Jakarta-Phnom Penh-Hanoi-Peking-Pyongyang Axis. This policy did not receive popular support, and the Indonesian army was among those who were against it. It was also in question by Indonesian friends in the non-aligned movements. Yet this is the landmark policy that kept the two countries intimate to this day.

Sukarno is remembered dearly in North Korea and the descendants of Sukarno keep this admiration by using regular contact; in fact, this is what the embassy in Pyongyang has been doing, creating a regular visit every year of an Indonesian leader to North Korea, especially the descendants of Sukarno. Who could have forgotten the famous orchid flower that was named after the great leader of North Korea, the Kimilsungja? It is a hybrid of *Dendrobium*, which is now the national flower of North Korea and is praised as the immortal flower because it can bloom in all five continents in the world. This romanticism trickles down to this very day and even the current president, Susilo Bambang Yudhoyono, is very passionate about making Indonesia play an important

role in the unification process.

But for many Indonesians, this enthusiasm is regarded with caution for several reasons. First, North Korea has been putting itself in an isolated pocket of statehood for decades. In fact, most North Koreans never see the outside world, or imagine a different life outside of the totalitarian communist regime. So, in the mindset of North Koreans, power, authority, social order, weapons, and society even will be different from people in the world. Even though the 24.5 million North Koreans are a productive age, these people have very limited exposure to modern living. Maybe illiteracy is not an issue in North Korea, because I read that there is a compulsory 11-year state-paid education in North Korea.

But I also know that in North Korea there is a belief that one genius can support the well being of 10,000 civilians and that means that only the very smart and promising youngsters will be nurtured by the regime to receive tailored education that is needed by North Korea. If you compare this with the total darkness at night, if you look from Google Earth, you can see that North Korea is totally black at night and once again, they have very limited contact with the rest of the world.

It becomes very clear that the education in North Korea is not designed to prepare individuals to survive the market economy today. The young generation of North Korea may be educated, but they may not be on the same page on many things with young people in other countries. So, there is a big gap in social connectivity between the North Koreans and individuals from other countries.

The second reason, in the past year, stories of the North Korean regime have been nothing but offensive and violent acts. There are doubts, for instance, that North Korea is actually capable of launching deadly attacks to neighboring countries using their warheads because warheads need to be placed accurately and it needs high technology as well as

money and expensive high-technology equipment to do so. But, this behavior of testing under water, of using nuclear threats to win aid has led Indonesians to believe that the North Korean regime is simply trying to maintain and employ the bargaining chip of nuclear head with the rest of the world. This is not a good idea because the North Koreans, if we are thinking about diplomatic relationships, would need very big energy; it would absorb more energy than if we were engaging with other countries. It would be a concentrated energy from any government because only very limited people would have access to know exactly what the North Koreans will do or would not do.

The third reason, the unification between North and South requires big first steps from South Korea that is what we think. If the people and government in South Korea are still having difficulties in accepting their colleagues and brothers from North Korea, then we cannot imagine how other people would accept it.

Indonesia has numerous experiences of developing areas that used to be remote from human contact. I can mention areas like Papua and East Timor, if you know parts of Indonesia. These are areas that used to be very remote from human contact, even until this very day. We don't have any resistance or barriers from local governments for us to come into the region, but we are talking about beginning all of the efforts in 1960. So, that means that already 50 years have gone and there is still plenty of homework and money that need to be poured out to the region; it is very complex.

The thing is about building the muscle and the mind of the people. It is not just giving them money; it is not just giving them economic growth, even things like giving them rice to the area doesn't solve the problem. It creates more problems because they're not used to eating rice. That's just one example I can give you, but I can imagine, therefore,

some jitters from South Koreans to accept North Koreans with open arms. But the symbol of unification alone, for instance, suggests that there is a sense of give-and-take that South Korea implies; that South Korea won't settle for anything less than the current ideology, international cooperation, and agreement on liberal democracy.

But something is missing there, which is what to take from North Korea that they will still think that it is part of the idea of growing together. The Kaesong industrial complex, for instance, I think it is a good idea. But one should ask the question, "How impactful is this cooperation to North Koreans in general?" I think it is very small in the sense of numbers. So, let's think about ways to engage North Korea more. There are many scenarios; some people in the morning session mentioned some scenarios for unification, but I think some of these scenarios mostly talk about costs and benefits. I also agree that it is not enough to talk about cost and benefit. In fact, we should be brave to say that the trigger factor for unification, we don't know and won't know. Just like we didn't know how and when the Berlin Wall would fall, or the Soviet Union would collapse, we didn't know. All we can do is just developing the perspective of engaging North Korea. When the time comes, it will not be as bad.

I'm thinking one approach in international relations that hasn't been engaged and discussed is transnational networking. Transnational networking is the perspective in IR that is characterized by a voluntary, reciprocal, horizontal pattern of communication and exchange involving nongovernmental research and efforts the organization local social movements, foundations, media, church, trade union and intellectuals. Why do I say this? Because focusing networks has been effective in bridging change in tough issues such as slavery, segregation policy, and even genocide. At this point, this approach is worth considering for two

reasons at least:

First, the current scale of external engagement from North Korea to the rest of the world is limited, but the underground activities to imagine unification are running. There are artists, students, and even security personnel in North Korea who allow for an influence to penetrate in North Korea.

Secondly, leadership evolves and time changes views. I do believe, even though Kim Jong Un is the third generation of the Kim family, it's not impossible to imagine that he is going to change the way that North Korea is run. After all, he went to school abroad, loves basketball, and is even married a pop star. So, there are reasons to think that youngsters like Kim Jong Un in North Korea may share the same passion to connect with the world.

Of course there is the factor that everybody is thinking about nuclear capacity. ASEAN, if I may speak on behalf of ASEAN, would also disagree with nuclear-seeking Korea. One thing that South Korea should keep mentioning to North Korea in their relationship and policy is that there's just no room for us to use nuclear weapons to advance national interests. There is just no way for it to prevail in the current moment and sooner or later, North Korea must face some sort of transitional period. It must engage the world if it wants to be accepted by the world and I think that this should be communicated to North Korea. Probably the one who's most capable and has the channel to do so are the South Koreans, so we really expect some change in the policy.

### **Hyun Chong Kim (Chair)**

Thank you professor Wisnu for your presentation touching upon Asian perspective and North Korean nuclear weapons and making

suggestions that South Korea should take the first initial step to resolve the problems on the Korean peninsula. That is one of the issues I will throw out to the floor that is whether or not South Korea should adopt an engagement policy in the next administration. Let me move on and give the floor to Jeffrey Robertson.

### **Jeffrey Robertson**

I'm going to take a little bit of a different look at unification, looking at it from a regional perspective and particularly a non-major power perspective. To do that, I'm going to take you back to Economics 101, the first year of university when you learn about opportunity cost. First of all, there are explicit opportunity costs, and these are like when a student decides to go to university and they have to pay for tuition fees and books. This is the cost that they pay straightaway. Then there are implicit monetary costs. These are things such as when the student decides to stop full-time work, and there is no longer money coming in and this is implicit non-monetary opportunity costs and this is, for example, moving up the corporate ladder or social working. This is a cost that you cannot put a dollar value on. Opportunity costs apply to politics as much as economics, but the difference is they are not very well understood in politics.

The Korean peninsula is a very good example of opportunity costs. We have explicit opportunity costs. The explicit opportunity costs we've already talked about here today and that is the cost of military expenditure, the cost of the Ministry of Unification, and the cost of KINU itself. These are explicit costs. These are tied to the peace dividend that will occur when unification happens. But then, there are also implicit monetary costs, and these are very important and attract a lot of public



attention. These are things such as the Goldman Sachs report from 2009 which said that a unified Korea will have an economy in 30-40 years bigger than Germany, bigger than Japan. These are implicit monetary costs. What doesn't attract a lot of public attention is the implicit non-monetary opportunity costs, and this is what I'm going to talk about, particularly from a middle power's perspective.

So, what is a middle power? You can see here a picture of Herbert Vere Evatt. He is an Australian external affairs minister from the 1940s, and this is a picture of one of the earliest meetings of what would become the United Nations. Now, Herbert Vere Evatt, or as they call him in the Ministry Doc Evatt, is in many of the photos from this committee meeting. This is representative of middle powers.

First of all, size; he's a big man, but middle powers have a certain size. They're not great, they're not small, and they're just bang-dead in the middle. Then also, method. Herbert Vere Evatt is in many of these pictures because he has certain skills in diplomacy. In the early stage or the committee stages of the formation of the United Nations, his background in parliamentary diplomacy enabled him to manipulate committees so that he could be at the center of a lot of the debates. He was central in the debates whether major powers should have veto power in the Security Council; he failed in that one. Finally, presence. The reason that he is in a lot of these photos is basically that major powers want them there. This is what middle powers are. Middle Powers are positioned between major powers and lesser powers, just dead-bang in the middle. Of course, we know South Korea is in that position.

Next, I also have certain diplomatic methods. These diplomatic methods include diplomatic activism, or innovative, intellectually creative diplomacy, such as using international forums to achieve your own national aims, and the formation of APEC for Australia or the formation

of the G20 to address the global financial crisis for South Korea and Australia. Next, I also use niche diplomacy. That is a kind of fort to cover every diplomatic issue so they cover a select few. They're very good at coalition building and they're also good at using good international citizenship while making their diplomatic initiatives appear to be very positive.

Now, I'm not just talking about middle powers for no reason. South Korea is a middle power, but it is a constrained middle power. Middle powers are constrained for different reasons. It can be because of their diplomatic capacity; maybe their number of diplomats has decreased because of budget cuts; maybe their physical capacity, the range of their diplomatic network across the globe has decreased, or maybe it's because their policy isn't very good anymore. They need credibility as well. They can be constrained because they are no longer credible; maybe they are supporting a major power too often. They can be constrained because of domestic politics, so when a new government comes in they try and distinguish their policies from the previous government so that means they are going to change the middle power policies of the previous government.

But in the context of South Korea it is security, and that is why South Korea is a constrained middle power. It is a well-known fact that middle powers are not very vocal during periods of high-security tension; they tend to follow the major powers. Whenever there is a threat of a conflict, middle powers will line up behind the major powers. But when peace comes along, middle powers want to have their say and they're very keen to have their say. This was pointed out from the very earliest research on middle powers. So, why is this significant in terms of Korean unification?

Well, you can see here a very early print from the Congress of Vienna. Now, there were more than 200 states, principalities, and princely houses

in the Congress of Vienna. Our history books normally teach us only about five of those powers: Russia, Prussia, Britain, Austria, and France. But amongst the 23 faces you can see there, 16 faces are from the Big 5. There are two faces that are also from the Big 5, but they're administrators and scribes, but then there are also three Portuguese, a Swede, and a Spaniard. These are the middle powers. Middle powers are present at all key international system regenerations whether it's the Congress of Vienna, whether it's the formation of the League of Nations, the United Nations, or the G20 to address the global financial crisis, middle powers are always there and they have an important role to play in the international system. This is based upon three key things that middle powers can do.

First of all, facilitation. They're very good at facilitating interactions between states. They can build bridges between developed states and developing states. They can build bridges between European states, Western states, and Asian states such as Australia and Singapore do. Or they can build bridges between predominantly resource-supply states and resource-demand states, such as Australia and Canada do. Or they can facilitate change or major changes to the international system, such as the formation of APEC, which was very much an Australian-Indonesian-South Korean initiative.

The next thing that middle powers can do quite well is mediation. I guess because of their size, they're not looked upon as trying to exert their power. They're looked upon as, I guess, non-interested. So, that means it's easier for them to mediate between parties in conflict.

Finally, middle powers can also play a leadership role in certain circumstances. The example of Australia and Canada in the areas of non-proliferation and human security shows that they can play a leadership role in certain circumstances.

So, why is this important? Well, in the context of Korean unification, this is very important because a unified Korea will not be a constrained middle power. It will be a power which does not have to stop its diplomatic initiatives because of security reasons. Middle powers have a vested interest in the status quo, and that is a key interest.

They have reached a position where they're happy with their lives and they want the whole hegemonic system to stay exactly the same. They don't want to be major powers, they definitely don't want to be lesser powers, and they just want the whole system to stay the same. So, they are very conscious of the need to spread norms and values, and build institutions to maintain these norms and values. The most important thing they're interested in is a rule-based predictable and stable international system, and a unified Korea would have these interests.

With South Korea's eyes always focused on the North, South Korea cannot act as Australia and Canada do. It will always be a constrained middle power. In periods of high-security tension, it will have to tow the line with the U.S. and this is a loss to the entire region.

So, not only do we have explicit opportunity costs, implicit monetary opportunity costs, we also have implicit non-monetary opportunity costs. In the context of a region that is undergoing massive strategic change with the growth of new major powers, having a middle power that is not constrained and is able to act in order to maintain the status quo within the region and within international society is extremely important. That's why the opportunity costs and the non-monetary opportunity costs must be considered.

### **Hyun Chong Kim (Chair)**

I'd like to thank both speakers for their well-done presentations.

As you can tell by my name tag, I was a former UN ambassador, which means I was a diplomat. I guess I wasn't being very diplomatic because I didn't thank Dr. Choi Jinwook and president Kim Hosup for inviting us and giving us this opportunity to sit here and discuss very important issues. So, let me take this opportunity and thank you now a bit late but I want to touch upon that.

What I thought I would do is to perhaps raise a few issues for the panelists sitting around the table. One of the subject matters that was touched upon this morning was what form or what shape would a unified Korea take? Would it be to the benefit or to the detriment of surrounding nations including China, Japan, the U.S., and probably Russia? For example, what measures would alleviate China's concerns about reunification? Would a promise that U.S. forces would not be stationed above the 38th parallel be acceptable? Would China be happier with a complete withdrawal of the ground forces recognizing that Korea-U.S. military alliance will exist?

From the point of China, which does have an interest in the Korean peninsula, the key areas of strategic interest for foreign policy makers are Pakistan, Vietnam, and Korea. These are really major interests for China. With respect to China's policy towards the peninsula, I think the bottom red line is that China probably cannot accept a Korean missile distance exceeding 2,000 km, first. Second, I don't think China can accept Japanese forces intervening on Korean peninsula. Third, I don't think China would be able to be ready to accept Korea participating in a U.S.-led missile defense system.

This word did not come up this morning, but I think the implication was that of a sort of a neutral Korea. We all know that neutral politics is the most difficult thing to do. To be neutral, you have to be extremely powerful, so that means that Korea would have to be militarily, politically,

and economically extremely powerful. How would the U.S., China, Japan, and other concerned countries react to that? This is the first topic that I would like to throw out to the panelists. Let me start by giving the floor to professor Zhu Feng.

## **Zhu Feng**

Now, unification is a very disputed issue in China. For example, if unification is to truly come true, then it is also much expected that the ROK will maintain a solid alliance with the U.S. I think it is totally understood from the Korean interests because China is getting bigger physically and that also will cause some sort of uneasy feeling for ROK. But in return, I think a unified Korea and an enduring alliance probably will gate the Korean Peninsula into a very important part of such an encirclement strategy so then Beijing will concede without the commonly shared threat of North Korea. Then, China will be exclusively targeted, and it will add to Beijing's fear and they may consider it a threat if the Korean peninsula turns into some sort of confrontational area due to China.

Of course, the psychology in my country will not be so good. Even to consider this, among most of the Chinese hardliners, it will be part of a deteriorating story of Chinese national security. That is why in China a lot of people are trying to make sense of the situation. For example, after unification, the Korean peninsula could be relatively neutral and not used as a gateway for the U.S. to encircle China.

It is one part of such a fear. Another part is, if we look at the future dynamic between both sides for the regional strategic competition, of course, what sort of state the unified Korea will be in, and whether or not the alliance will survive the post-unification era. Well, being a big

push for the Chinese, I think there will be cognate thinking about what China's security will be. So then, I have to say it may be a big uncertainty not to facilitate, but instead to deepen the Chinese hesitation of the Korean unification.

### **Hyun Chong Kim (Chair)**

Thank you professor Zhu for your insight for that matter. The U.S. is supposed to be cutting its defense spending over the next 10 years by some 600 billion dollars, and there are many in the Washington and foreign Pentagon officials who say that after reunification, the U.S. may not remain in Korea and it may just pull out because of these spending cuts. Whether or not that will take place, we will have to see in the distant future. What would be the U.S. reaction to a unified Korea? Would it like to see a unified Korea?

Like I said, to be neutral you have to be extremely powerful; you can't be a wimp and stay neutral. Neutral politics is the most difficult thing that anyone can ever perform. So, for example, we currently have the negotiation between Korea and the U.S. about missile mileage, plus the explosiveness of 500 kilos more or less. So, issues of that sort: What are the U.S. thoughts on some of these topics?

### **Fei-Ling Wang**

Thank you Ambassador Kim. I think you raise great questions, strategic and visionary questions about what kind of power Korea will be if there is unification. Because who knows, maybe tomorrow unification will happen. Whether the U.S. would like to see Korean Unification and what type of unified Korea would the U.S. prefer, I cannot say for myself.

My hunch is that if Korea remains at least a neutral power after unification, then the U.S. would not worry that much. I think the U.S. will be worried about whether a united Korea will be “on the Chinese camp.” If Korea can manage to be militarily and alliance-wise neutral, then I think Washington will probably see it as not a bad issue at all. Neutrality can be defined thusly. Korea has to be strong in order to be effectively neutral. I guess you are getting there, because we only need another Samsung to be really strong in Korea. But that is just one aspect of neutrality.

The other aspect of neutrality, I think from the American point of view is where they stand in terms of value, ideologies, and norms. Neutrality does not mean that you are neutral on everything. We all know that Switzerland is a neutral country, but what kind of values, ideologies, and norms does Switzerland prescribe? In other words, I would imagine that it will be extremely challenging, if not impossible, for a united Korea to remain perfectly neutral between two opposing value systems. On one hand you have Japan and the United States, and on the other hand you have China and whatever remnants of North Korea, the exiles from the Pyongyang region.

I think it will be pretty difficult. In other words, it is probably more than force, strength of Korea; it is more like what kind of orientation Korea will be taking, and that is a big unknown. Based on that, I think the hesitance the Zhu Feng mentioned on the Chinese part, reluctance as I mentioned earlier this morning is also shared by the people in Washington because they are simply reluctant. If Korea is no longer alliance-wise neutral but ideologically neutral, that’s a loss on the U.S. side, if you will.



### **Hyun Chong Kim (Chair)**

For the sake of clarity, Professor Wang you're suggesting a sort of a U.S.-led type of neutrality along the lines of what our ancestor Yu Gil Jun suggested right before the Russo-Japanese War, where he suggested that Chosun become neutral sponsored by Chinese support; is that what you're getting at?

### **Fei-Ling Wang**

I think pretty much so. In other words, from the U.S. perspective, as I understand, it is extremely hard to imagine a united Korea powerful while Samsung, Hyundai, all those industrial powerhouses remain ideologically neutral between any disagreement or dispute between the U.S. and China. It would be hard to imagine that kind of neutrality. But in terms of military alliance, yes we can do that if we are strong enough to protect ourselves. But ideological neutrality is a key issue. If Korea says "We are neutral but in terms of values, norms, and so forth, we are more on the Western side, on the U.S. side," then imagine how the Chinese will receive that because you are right on the border and your radio and TV signals will be easily received in Beijing. That is a challenge.

### **Hyun Chong Kim (Chair)**

Now we do have a 1,300 km border, if you include the river it is a 1,400 km border with the Chinese. China has borders with 14 countries, none of them which are either democratic, wealthy, or developed countries. So, Professor Zhu, you wanted to take the floor

and perhaps you could respond to what Professor Wang stated and also follow up on my comment.

## **Zhu Feng**

It is a two-finger intervention to respond to Fei Ling's points that is very stimulating. Neutrality, of course, is China's preference. The problem is how to define neutrality. Expanding on the mutual alliance with the U.S. is just one side of neutrality, but it could also easily lift that other possibility to underlie the neutrality. For example, is it possible for Korea to ally with the U.S. while allying with China? Then we could have some sort of a third alternative to refer to the neutrality, and I mean we can also move towards a sort of bilateral alliance system, or a OSCE-like multilateral security corporation. But to our degree, our alternative will be very adequately carded as neutrality; it is very, very debatable.

But at the least, neutrality has multiple meanings. So then, for example, the values shared, such a bond between Washington and Seoul, is hard to dissolve. So, for example, from my perspective, it's truly what the Chinese also that they need to live up to. We also will transform ourselves and get ourselves closer to shared values and becoming a better part of the international community. So, a democratic China is our destination. So, China will be increasingly democratic, I'm totally sure of that. So then, yes, we need to keep our minds open. So, the key concept of neutrality probably is what we would prefer, but how to define and pursue neutrality, I think we need to also have to study for some sort of mutual respect and mutual adaptation.

Then, second question, I think Ambassador Kim raised it provocatively, I have to say China's policy controversy with North Korea is just a part

of expanding in such a policy predicament that we are now in. It is not just tension between China and Korea, but it's also tension between China and Japan, and China and ASEAN. So, now I think that Beijing has to just think through such a change in China's peripheral area and it's a new challenge before China can truly make up its mind on its policy of North Korea. When I say this, I mean China's policy on North Korea is not just solitary; it's not just an isolated part of China's foreign policy.

China's policy on North Korea is part of the entire puzzle of China's foreign relations. I see a lot of connections of China's policy on Korea with other parts of China's policies. My hunch is this: if we need to see China to expectedly change its policy on North Korea, then probably the more telling evidence does not come from China's policy on North Korea along, but probably came from the other intrinsically related policy variation in other parts. That's my view.

### **Hyun Chong Kim (Chair)**

Thank you, professor Zhu. Could I invite perhaps other speakers? Peter, go ahead.

### **Peter Beck**

To be a neutral power, I don't think you have to be so powerful; I think you have to be isolated and irrelevant. I can't think of any major power, or even middle power that is in a tough neighborhood that has chosen the option of neutrality. I mean, you can take Switzerland; they are mountainous and irrelevant. You know, they are important solely for chocolate and for hiding bank accounts. Or another example could

be New Zealand, which basically effectively severed its alliance with the U.S. But again, they are small and remote. Their biggest naval enemies are penguins.

So, any Korean government at any time could decide to sever the alliance with the U.S.; that is the prerogative of Korea's sovereign nation. Some leftist scholars here have been raising the issue of neutrality. You know, Indonesia 50 years ago pushed a non-aligned movement. But I think given the location that Korea is in... unless China were to become a benign democratic nation and I don't mean just democratic, of all the nationalisms in Asia, I'm most concerned about Chinese nationalism. You get a microcosm of it in Hong Kong. Hong Kong doesn't like a lot of things about mainland China, but they're perfectly fine with an assertive China. As long as China is growing militarily and economically and challenging and asserting itself internationally, I find it unimaginable for Korea, even a unified Korea, to pursue neutrality.

One more comment about Dinna's presentation "How can we engage North Korea?" from an American perspective: we're at a very difficult point with North Korea no matter who is elected president in the U.S. even if president Obama is elected.

### **Hyun Chong Kim (Chair)**

That's going to be my next question perhaps. I'll let you take the floor when we come to that.

### **Sandip Kumar Mishra**

Actually, on being a neutral, I want to disagree with what Dr. Beck said just now. If you look at the recent policies of India, I think it appears

to be quite neutral regarding China and the U.S. Actually, many scholars have been arguing in India whether it will go with the U.S. or go with China and overall it appears that Indian foreign policy has been quite neutral. I don't consider India an irrelevant power right now, and there are examples of neutral political standpoints that could be taken.

The second point that I want to make is about China. Maybe India is not a very rich country, but India is a democratic country and shares a long border with China. So, it is not that China is scared of democracy. They have somehow learned in the last 10-20 years how to live with democracy. I think this is the point that democracy is actually returning to China, and I personally feel that interstate relationships had been changing in the last 50 years very fundamentally.

I think that maybe it was not possible for India in 1960 to be a neutral country and that's why probably they were quite close to the USSR, but I think right now, in 21st century interstate relations, there are possibilities that a unified Korea may have a neutral stance in its capacity, which I think Ambassador Kim was saying, military and economic. That's why it is important how unification comes, actually. If unification comes through getting participation of both China and the U.S., bringing on board the two players together, I think it would be less threatening for any of them and I think it's possible for a unified Korea to be neutral rather than marginalizing one of them and actually fighting.

### **Hyun Chong Kim (Chair)**

For the sake of clarity, as a moderator, I wasn't taking any position. As a moderator, I was throwing an issue out there to see what type of Korean peninsula would be acceptable for interested parties including

China. Thus, the issue of neutrality came up. I wanted to make sure that that's very clear at the outset.

### **Fei-Ling Wang**

Let's have a two-finger intervention very quickly. Dr. Mishra, you're absolutely correct. India shares a long border with China and India is a vibrant democracy so therefore, the "threat of democracy" to China by a united Korea wouldn't really be as serious because China is under Indian influence. But that is actually not accurate in a way that between the population center of China and India, we have something called the Tibetan Plateau. The Tibetan Plateau is an excellent buffer zone that keeps India and China so far away that there basically is almost no contact between Chinese public centers and the vibrant democracy in South Asia. In the case of a united Korea, it's right on the border. Within 45 minutes of flight to all of the population centers right there in China, that's a very different story.

Secondly, Indian-style democracy versus Korean-style democracy is slightly different. We don't want to get into details of how different they are, but they're quite different.

Another thing that I wanted to clarify regarding neutrality: you're right, India proclaimed to be neutral or non-aligned for a long time. But as we also said, India was never really neutral in the sense of ideology or what it prefers. India was, with the Soviet Union, very close for a long time and now, by all standards, I think India is closer to the American views than to the Chinese views. So, to say that India now has perfect neutrality between the U.S. and China is probably not exactly true because I know that militarily, India is having quite close relations with the United States now. So, there is not nearly as much military

contact between China and India. It is different; India could be considered a big power by its own size, even though GDP-wise it's not that big. So, in other words, the India model probably does not apply in the case of a united Korea.

**Hyun Chong Kim (Chair)**

Taking into account what the speakers have said about the subject matter, could I ask Dr. Lee Sang Hyun of the Ministry of Foreign Affairs to maybe briefly touch upon what should Korea's unification policy be?

So far, our policy has been to maintain a divided peninsula. So, what should our reunification policy be, as opposed to a policy that maintains a divided South and North Korea, taking account the interests of, for example, China and the U.S.?

**Sang-Hyun Lee (Ministry of Foreign Affairs and Trade)**

First of all, let me respond quickly to the discussion of neutrality. It seems to me, we know that there is a long history of the neutrality of South Korea because the division itself came out of the intervention of international forces. So, the solution may probably come from the interaction of international forces. So, neutrality may be one option to solve the problem. But at least I would say, neutrality is not a matter of South Korea's choice. The real matter is how the neighboring countries can agree with South Korea's neutrality even though it is unified. So, I feel like the discussion on neutrality may be a little more of a remote possibility from today's perspective.

Secondly, you asked about South Korea's policy on unification. Unfortunately, the foreign ministry is not the leading institution in charge

of national unification. Of course the Ministry of National Unification is a first-hand agency of the Korean government to handle the issue, but as you know, unification itself is a very complicated problem. It's not just a problem of inter-Korean issue; it's also a regional issue and a global issue.

So, I would say the problem must be approached from the whole of the state approach or the whole of the government approach. I think that's the only way that I can perceive in the future that we can achieve unification. So frankly, I don't have the correct answer to your question, but I feel a little better in the second session because the first session's conclusion of international forces' matter is quite gloomy from Korea's perspective.

But in this session, for example, Jeffery mentioned the role of middle powers and also Wisnu mentioned the transnational network. In that sense, I personally identify Korea as a typical middle power. Also, because South Korea's traditional foreign policy has been pretty much occupied by the consideration of the big powers, now I think it's time for South Korea to think beyond the great power politics and I think the network among middle powers may be a good playground to discuss and think about Korea's future.

### **Jeffrey Robertson**

Just on the question of neutrality: There's this theory and it's called the Schoolyard Theory. In international relations, it's basically a schoolyard. You have bullies. Now, as a medium-sized kid, you don't hang around the bullies; you keep back from them. You hang with other people your same size, but you also make really good friends with the kid who has all the money to buy ice cream. So, no matter who your



friends are, whether they're bullies, whether they're nasty bullies, whether they're kids the same size, you are always friends with the kid who's got the money to buy ice cream. That is Korea's middle power theory: you make friends with major powers, which are not going to bully you, and you make really good friends with the states which have all the money, and that's China.

### **Hyun Chong Kim (Chair)**

Take into account the fact that there will be a new government in Russia, the U.S., China, and also in Korea. Should Obama prevail – this morning's post indicated that he is falling behind 47 to 45 according to the CBS poll – for the first time in 60 years, in the event that the democrats in Korea should come to power, you would have in three countries the Democratic Party in power.

Now, one of the questions that are frequently asked is, "Should the next Korean administration engage with North Korea?" In other words, should the engagement policy be continued from previous progressive administrations? Let me also throw out a fact for our speakers to consider so that we can discuss this within a reasonable framework: we all know that the North Korean economy is in shambles. It is not doing well; its machinery, night industry, and agriculture are not doing well at all. If Kim Jong Un were really interested in feeding his people, he has one million hectares of land and if he allowed private farming, the 22 million people would be able to eat.

Now, let me just throw out some statistics. Let's date back to 1988, we had Seoul Olympics. How did Pyongyang respond? They responded with Pyongyang festivities; they spend \$3.5 billion then. In today's money value, it is at \$5.5 billion. That was in 1989. 1992: Soviet Union collapses;

1994: Kim Il Sung dies; 1995-2000: they have the Arduous March, when up to 2 million people starve to death. Fast forward. 4.15 festivity costs some \$3 billion; the rocket launch *Kwangmyongsong-3* costs \$850 million; North Korea's annual budget is \$5.6 billion. So they spent already more than 50% of their annual budget for this year.

Now back in the '80s when they had the Arduous March, some scholars argue that one of the reasons that North Korea was able to survive that Arduous March was because first, the 1994 Geneva Framework and second, the Sunshine Policy. Now, the cliché 'history repeats itself' is it repeating itself? If it is, what should our policy be, taking into account those economic factors? This is something that I would like to ask some of the Korean experts on the panel to address.

### **Ho-Yeol Yoo (Korea University)**

I think it's not easy to calculate how much money North Korea has actually spent on such events or developing WMD including long-range missiles. But anyhow, they spent a lot and considering the choice, we hope that the new administration under Kim Jong Un's leadership had turned toward a better or more genuine policy considering the welfare or wellbeing of its people. So, in that case, as we already discussed a lot, there are a couple of preconditions or the environment for us to consider reunification on the Korean peninsula. But the real problem is the change from what perspective if you think the regime change or the change of the ordinary peoples' minds.

I think it is more important for us to think that the North Korean people have a different perspective on their own future, including human rights or democratization. If they consider their final goal, I think we can see the repetition of history as we have observed in Germany 20

years ago and it could be another case of peaceful unification on the Korean peninsula.

But I think it's too early for us to expect such things to happen in North Korea and therefore, we have to think about the change of regime. While under Lee Myung Bak government, we hope that there might be some changes and therefore, they are trying to build a "*tongil hangari* (Unification Jar)" in preparation for sudden changes in North Korea. But I think that is another history again and therefore, we now think that if Kim Jong Un, as we have observed in recent days, new leadership considers opening or change as he had in mind, to follow the Chinese or other communist countries' open and reform policies, then we can see possible changes.

But my real question is in that case, if the North Korean regime decides to make an opening and change in their policy direction by giving up their nuclear development program, then I think that neighboring countries like China and Japan will think that such a regime in the Northern part of the Korean peninsula is better for them to maintain their national interests. Well, we thought that if North Korea continues such kind of bad behavior by continuing to launch long-range missiles and develop nuclear problems, then they might think that it's better for them to consider reunification in South Korean terms.

But if the Kim Jong Un regime becomes a good regime, then I think the unification process is quite different, and that's a real dilemma for us: how to accept such changes in North Korea. So, I think as Ambassador Kim mentioned, they spend a lot and therefore we oppose or criticize such bad behavior. But if North Korean leaders accepted such kind of criticisms against them and they took care of their own people, then I think the prospect for peaceful unification might be not a remote one again.

**Hyun Chong Kim (Chair)**

Thank you professor Yoo for sharing your thoughts. Dr. Choi, do you want to follow up to professor Yoo's comments?

**Jinwook Choi (KINU)**

I personally think that the chance of North Korea's collapse is very likely, and it's getting more and more likely. I'm not saying that it is more than 50% or 60%, but the chance of sudden collapse is getting higher. There are economic reasons and political instability and uncertainty of political leadership and power struggles, and many reasons. There are many reasons, and I'm not going to elaborate on the reasons why, but I also agree that the engagement policy is necessary.

But at the same time, engagement policy does not necessarily mean Sunshine Policy. Engagement policy has a variety of types, so when I say engagement policy, that means we need to ease the tension, we need to keep the channel of dialogue with North Korea, and we have many reasons to talk with North Korea. But that does not mean we have to provide aid and try to increase economic cooperation with North Korea without any conditions. In that sense, we need to engage North Korea to change the North Korean regime and to dismantle their nuclear weapons. We have to have a strong and determined perception as the goal of the engagement policy.

In that sense, I'm going to go back to the unification scenario. So today, we have been talking about many unification scenarios. It is important to understand the positions of the neighboring powers towards Korean unification. When you think about the positions of the neighboring powers, on our minds, we are probably thinking about

unification scenarios of our own.

In the case of unification by agreement between North and South Korea, we probably don't need to consider the positions of the neighboring powers too much. But in the case of the sudden collapse of North Korea, we probably have to take consideration of the positions of the neighboring powers much more than in the case of unification by agreement. So today, in the morning session, I got the impression that this may be a reasonable conclusion, but we consider the position of the neighboring powers too much and we underestimate our initiative towards unification.

I want to raise a question here: for example, in the case of the collapse of the North Korean regime or the system, what kind of leverage or pressure can China put on South Korea or the Korean peninsula? (economic pressure, diplomatic pressure, or military pressure) I think that it is not quite so easy, and we can have much stronger determination to achieve unification. But if we think about that kind of pressure too early and too much, we may underestimate our own initiative for unification when the chance comes.

Today I would like to discuss what we can do in the case of North Korea's sudden collapse or contingency. So, people sometimes say that we are under pressure of international influence and so we have to be careful and consider this and that, so that might be too cautious and careful and prevent us from taking initiative.

### **Hyun Chong Kim (Chair)**

Thank you. I think what you are seeing is that if you had to make prediction you think there will be an eventual collapse for numerous reasons of the Northern regime and it's something that's where Korea

should be discussing with our allies what the options are. Is there anyone around the panel, professor Kim.

**Taehyun Kim (Chung-Ang University)**

Dr. Choi spoke about the role of neighboring powers in the unification process. Throughout our discussion in the morning and afternoon, there has been a kind of tacit misunderstanding among us that ‘Unification is not likely anytime soon,’ ‘If unification ever comes, it will be led by South Korea,’ ‘Surrounding powers, particularly the U.S. and the PRC will at most be reluctant, if not be opposing.’

But as what Dr. Choi Jinwook just said, I would say the role of neighboring power can be classified into at least four categories: they can actively help to precipitate or manage smoothly, they may passively help, they may passively oppose, or they may actively oppose. Can you imagine the situation where China can actively opposed the unification process in Korea? If neighboring states have to power to precipitate unification itself, I believe we don’t have to exaggerate their power to oppose or prevent unification itself. In that sense, I think South Korea’s unification policy should be leading other surrounding powers toward the direction of active support instead of active opposition.

**Ho-Yeol Yoo**

Last year, the Japanese, particularly the diplomat who did not like to talk about their genuine thoughts about unification on the Korean peninsula, mentioned that the Japanese are now favoring unification by South Korea because the cost for division or the cost for tension on the Korean peninsula is getting higher. North Korea’s threats or

provocations could be resolved only by unification so they favor unification. But if North Korea and Kim Jong Un had totally fundamentally different policy directions, then I think not just the Japanese but also the U.S. and China would favor such a North Korean regime by supporting them, as we already agreed to support North Korea if it decided to dismantle its nuclear development program. Then I think that is the case permanently. It is not permanent, but I think we're entering a totally new different phase in terms of unification.

So, I think it's very difficult for us to expect support from neighboring countries regardless of their calculation on unification or the change of status quo on the Korean peninsula. They thought that democracy or the prosperity or peace and order is very important, but they always return back to their national interests. That means that if they do not make any provocations on their national interests, then they will support the status quo or division on the Korean peninsula. If we talk about unification, and the South Korean government or President Lee Myung Bak who has six more months really consider unification an important goal, I think we need to understand the changing mood on the peninsula or in this region.

### **Hyun Chong Kim (Chair)**

This subject matter was really to discuss the issue of whether or not we should be engaged in an engagement policy vis-à-vis North Korea and engagement can take numerous forms, obviously. Dr. Choi, you didn't say this but I assume based on what you've said that you would not favor returning to discussing the October 4 Declaration, for example. I think that was your point and that we should take a gradual, step-by-step basis.

Now, assuming that we were to take that very cautious, judicious approach in terms of engaging North Korea, would China's support for North Korea still be there? Is this an important facet of China's foreign policy in light of recent U.S. policy "return to Asia," and the use of the base in Thailand, Vietnam, Philippines, Myanmar, and Laos in light of encircling or even containing China's rise—at least in the Asian region? Do these factors affect China's policy towards North Korea?

### **Zhu Feng**

I think Beijing's bottom line on Korean policy is to encourage and press North Korea for reform and openness. We consider such redirection of their policy not just a more credible and optimal to dismantle a nuclear weapon, but also could get North Korea reintegrated into the regional community and finally realize that a great wishful, or maybe very realistic, thinking about the regime change or behavior change—whatever it is.

Of course, that is China's preference. But I think this preference is also good because it's based on China's experience. If you look at China's case, between 1949 and 1979, China was the most war-prone country in the world. Cultural Revolution, international standards, but then China was 100% a terrorist country. What changed China? Then, very briefly thinking, responding to your question Mr. Ambassador, my theory is the backdoor theory. Backdoor theory means that if you would like to realize reunification, then you want to get into from behind.

So, I think if we can engage the North with a joint effort with the regional members, then North Korea could truly redirect their path taken. I think that would be very likely if we just think that China's case could be very appealing. I think this point is a real, concrete step and a concrete process. For example, 30 years ago when China embarked on its journey



of openness and reform, no one could imagine what sort of tremendous change took place in China. At the beginning, Xiao Ping also didn't want to go that far. So today, I think China is truly at the tipping point. I feel that one part of rule has never been so weak in the past three decades. So then, my view is that if reform could truly be imposed on North Korea, then it is a genie out of a bottle, thus it is a backdoor theory.

### **Hyun Chong Kim (Chair)**

I'm wondering, though, from the U.S. perspective, now there was the February 29 Agreement, which was completely negated. Let's think about this and reverse our thoughts. Suppose Kim Jong Il were still alive; great strategist, great strategic mind. How would he have handled the February 29 Agreement? I think this is what would have happened. He would have made sure the deal was struck in December of 2011, he would have let IAEA come in and do the inspection, and received nutritional assistance from the U.S. and then come February or March, make up a bunch of excuses for kicking out the IAEA people and not being able to implement the agreement. And then probably launch a missile and declare it a success irrespective of whether or not it actually succeeded or failed, because it's extremely difficult if not impossible to determine whether or not it made it into orbit.

Now, that didn't happen. Consequently, we also know that some U.S. officials visited Pyongyang one week before the launch of the missile. I would assume in election year that message was "Listen, don't launch; if you don't launch, we'll give you a present." I think the signs are there, Rocky 4, Mickey Mouse and I think that is North Korea's way of giving the U.S. certain signs. Now in the U.S., the North Korean issue is very

unpopular because there are no results and things are just not getting done and there is a fatigue element. In light of that factual background, would the U.S. support reengaging North Korea? How does the U.S. view the stability of North Korean leadership in approaching the Northern leadership?

### **Fei-Ling Wang**

I'm not sure if what I'm going to say really reflects the American position, but one American perspective: some kind of engagement of North Korea, I think the U.S. would be supportive, especially when Dr. Choi Jinwook said very nicely, "Engagement can take different forms." Also, it's not just the return of the same old Sunshine Policy. If it's kind of a very good give-and-take engagement, I think the U.S. should be supportive. You're right, this year is kind of politically sensitive, and North Korean issues are such an emotional implication in U.S. politics, so I think the Obama administration would prefer North Korea to be more cooperative and behave.

Engagement, I think, is a good thing, and I would think the Chinese also likes engagement because the engagement of North Korea by South Koreans would help to stabilize the North Korean regime and reduce the Chinese burden as well as stabilize the situation to maintain the status quo; that's in the interest of everybody. But the U.S. has kind of burning desire if you will, probably more burning than the Chinese, and that is the nuclear weapons.

The U.S. is very focused on this issue: get rid of the bombs, get rid of the means. So, if any hint made by North Koreans in that regard ('let's work on the nuclear issue'), I think the U.S. will be supportive and probably be even more willing to engage in bilateral talks with North

Korea. That is what North Korea is asking for all the time, deals between the U.S. and North Korea and that of course, would make the Chinese very unhappy.

### **Ho-Yeol Yoo**

I think the next U.S. administration will consider reengagement, but the condition is that the new South Korean government will take that position. I think the engagement policy will be different, kind of a third way from the Sunshine Policy, so I think an alternative will be engagement by considering the denuclearization process on the Korean peninsula, and then I think the U.S. administration will follow the engagement policy.

What I want to say is that if both the U.S. and South Korean governments take the engagement position next year, then I think the whole issue or policy agenda in this region will be a little bit different from what we have discussed over the last five years. That means that we could not say much about unification issues, even though we hope that some years later we could achieve unification. We could not say much about unification, but we could say more about how to engage and how to develop in the future.

### **Jung-Hoon Lee**

Speaking of engagement, I think the term engagement itself is such a politically correct thing that it is very difficult to get away from it. But the irony is that engagement policy is really a tool for division management. So, while we are talking about reunification, the more we engage, I would argue that the more difficult it becomes; the probability

of unification becomes lower. I would just give one small anecdote: I run an NGO that deals a lot with North Korean defectors. Almost every single one of the North Korean defectors here in Korea, and there are about 25,000 of them, they complain about what we call “humanitarian aid”: all this assistance going into North Korea. As far as they are concerned, all that does is not alleviate their hunger, but rather prolong the ordeal. They feel that it continues to feed the regime that allows itself to continue on, which in turn prolongs the hardship of the people themselves. So, I think that one has to choose one or the other.

If we’re serious about reunification I think we have to genuinely look into alternatives and ways that we can somehow facilitate or precipitate change. If you say it very bluntly, and I can say that because I’m an academic, it’s a collapse of North Korea. So, how do you facilitate that? It could be psychological warfare, meaning speakers, neon lights, or balloons. There are many ways to go about that, but these are politically very sensitive issues so it is difficult to talk about them. But if we really want genuine unification, I think – maybe not in the open – but these are some of the things that need to be discussed. Otherwise, quite frankly, I don’t think there is anyone who would really think that the North Korean regime whether it’s Kim Jong Un or some military coup d’état, military coup d’état doesn’t guarantee reunification, who is going to say that now we will be ready to be absorbed by South Korea; it’s never going to happen.

#### **J. R. Kim (Ministry of Unification)**

We sound as if there is a big difference between the so-called “unconditional engagement” promoted by the Kim Dae Jung and Roh Moo Hyun administrations, and principled or disciplined engagement

promoted by this administration. I don't think so, because as Professor Lee mentioned, there are various different types of engagement and I don't think any president who will be elected this year in Seoul or Washington will refuse to engage North Korea; I don't think anybody will try to contain them. If you try to engage one way or another, the question is whether North Korea is willing to engage Washington or Seoul. We have always tried to engage them, but because North Korea has refused to do so, we haven't achieved the things that we actually wanted to achieve. So, the question should be more directed at whether North Korea under new leadership is willing to engage South Korea and the U.S.

### **Peter Beck**

You can certainly make a very strong argument that were it not for the unconditional support of China, North Korea would have collapsed or at least faced some very difficult questions. What we are talking about here in crude terms is "starving the beast," if you will. But I'm willing to guess that most of the defectors who don't understand why South Korea is providing all of this assistance is sending money to the North and that strike me as a slight contradiction.

Why are they sending money, because they support the regime? Of course not. They're trying to support their family members who are still there. That raises some very difficult questions: do we watch North Korean starve while we wait for the regime to collapse? Or do we just feed the people we know who have relatives here? We face some very difficult questions. We've sent billions of leaflets and balloons over the last 60 years. I wish I could say that was going to work, and I know for a fact that more and more North Koreans are listening to the radio.

We've had these campaigns since the Korean War, so I don't think that is going to help us achieve the solution that we want. What I do see in Korean public opinion polls is a strong support for some type of engagement. I cannot identify a single South Korean leader who advocates closing down Kaesong, even after the two attacks of 2010. I was very surprised as a foreigner, a couple of months ago, to see a public opinion survey criticizing Lee Myung Bak for being too harsh on North Korea. In my reading of public opinion, it is a non-issue in the election, it's not going to drive the election, but there is a strong consensus here of some type of engagement with North Korea and that we will get that from the next president no matter who it is, that there is no choice. What form that takes remains to be seen.

In the U.S., the dynamic is very different. First of all, the American public really doesn't know or care about North Korea, and North Korea is not a top priority for the Obama administration. Plus, they feel burned; in 2009, they were begging the North Koreans "Please don't test." they tested anyway, and that really upset the Obama administration. Then February 29, they spent a year putting that deal together, and of course it fell apart within a couple of weeks. So, they feel like they've tried, and I don't think it's unreasonable for them to conclude that, and so even if Obama is elected—and certainly if the U.S. elects President Romney—I don't think we can expect any new initiatives from the U.S.

My foundation is committed to engaging North Korea; we send about 12,000 American textbooks to North Korea to major universities and libraries, and we support North Korean officials to visit the U.S. and third countries to get exposed and learn about the outside world and receive training in various subject. So, I don't think we should be talking about "to engage or not to engage," it is one form of engagement. Do we feel children, do we try and have some form of engagement or are

we really saying “Let’s cut them off and wait for them to collapse?” Even if we did that, I don’t think China would let that happen. Do we really want North Korea to become the fourth Northeast province of China?

**Hyun Chong Kim (Chair)**

Let me just ask one question to Professor Zhu on an issue that Peter Beck just touched upon, and that is, Peter said that “but for China’s assistance, North Korea would have collapsed” and that “it’s China’s assistance that keeps North Korea flowing.” Now, you provide about five million barrels of oil to North Korea and some food. Kim Jong Il, before he dies, went to visit China three times. The first two times, he went there and said “We would like to receive the most advanced weapons, including the J20 stealth weapon for free,” to which Hu Jintao said no.

The third time that Kim Jong Il went, he said “We’ll purchase it from you,” to which Hu Jintao said “as we see it, on the peninsula, it’s not the U.S. or South Korea that’s the problem; it’s you,” thereby causing a sudden departure of Kim Jong Il’s train from China back to North Korea. And then the subsequent visit to Russia. In light of all that, and numerous Chinese scholars have been saying that there isn’t much leverage that we have, and North Koreans are also saying, “Don’t tell the Chinese to pressure us because we aren’t going to be pressured.” So, I wanted to ask Professor Zhu, in your capacity as a professor in Beijing and also in your capacity in advising your government, whether or not you have that leverage vis-à-vis North Korea to really influence them.

In my private view, I can see China doing two things: one, shut off the crude oil, and two, shut down the border; we all know what’s going to happen afterwards. So, what I would like to know is whether

or not China, which is sort of caught in a dilemma if you look at it, will continue with its assistance and what role it will take, and whether or not China is sustaining the North Korean economy right now.

## **Zhu Feng**

To my understanding, of course Beijing has the key to the survival of the North Korean government 100%. I think the best leverage presumably is not just to shut down the border or to shut off the oil; probably, the most influential leverage is to keep the 1,300 km border completely open. So, we welcome all the North Koreans to seek freedom on the Chinese side. If they'd like to cross the border we will offer them fresh water, asylum, food, and a job. That will be a very, very efficient way for China to take North Korea down. Look at how the Berlin Wall fell; it is just because Western Europe kept the border areas totally penetrable. So, if Beijing could do that, I think it will be a deadly blow. It is threatening, even psychologically, to Pyongyang because such a long border is easy to penetrate back and forth and less guarded.

Then, we can also openly support a pro-Beijing regime otherwise, we will not give them anything. In history, in the past 60 years, I have to tell you it's been a way for Beijing to influence the North. We need to reach some sort of at least a balance because we are, in some ways, at the verge of a critical suffering.

## **Jinwook Choi**

Today's topic is unification, and who supports unification in Korea? Professor Lee said that engagement policy is basically non-unification policy. I absolutely agree with you, and there is lots of evidence for that



point. We sometimes confuse the Sunshine Policy as unification policy, but actually, people who support engagement, economic aid and economic cooperation are much less likely to support unification.

So, the number of people who support unification in Korea has sharply declined from 90% in the 1980s to now less than 70%. It was a 20% drop in less than 20 years, so this drop represents those who support economic aid and economic cooperation between the two Koreas. So, when we talk about unification and today's issue, we probably have to assume that the North Korea system has changed, collapsed, or dramatically suffered from experiencing a system transformation. I think this should be our basic assumption to discuss this issue.

Of course there is a chance to agree on unification between the two Koreas, but that is very unlikely and in that case, we will have to worry about all of these problems: Chinese intervention, unification costs; these issues are all probably solved in the process of a long period of transition for unification. So, our concern is that when unification comes at an early time, in 5-10 years without warning or preparation, we will have to experience a lot of problems: economic problems, social chaos.

In spite of those kinds of problems, we have to decide whether we should take this chance or not. We have to prepare for that chance and for that purpose, but we have to do international cooperation and financial cooperation. So, all of these issues are probably related to the unification scenario, and we probably already assume that kind of scenario, but we have to clarify that kind of scenario.

### **Jung-Hoon Lee**

As I said, engagement policy is such a politically “sexy word” in that it is very difficult to reject, especially for the politicians. I think

engagement policy has to have a very specific goal, so I can appreciate all the things that you've said—and I'm not against sending certain things like vaccinations or food for children, I think those things should not be conditional.

But if you look at things like Kaesong Industrial Park, I'm sure the Unification Ministry has better statistics, but the last count I had, they only have like 104 companies working there. Most of them are really, if you left them to economic conditions, they would not survive. Basically, they are being kept alive by South Korean taxpayers' money; it's subsidized. The idea of Kaesong—why do we have Kaesong Industrial Park?

We're hoping that somehow, this would have a trickling effect on the North Korean economy, that Kaesong will show the model for other areas without South Korean taxpayers' money for North Korea to develop these sorts of economic free zones. But it hasn't done that at all in the past decade or so. So, expansion of Kaesong, or maybe even a second Kaesong, I think it is not going to help the North Korean economy at all. In that case, what is the whole purpose of doing that, when it doesn't really achieve the original set of goals that it was supposed to achieve? That's my point.

**Hyun Chong Kim (Chair)**

Let me just follow up with a comment on what you just said. Kaesong Industrial Complex wasn't so much as to improve the North Korean economy, as it was supposed to perhaps introduce the capitalist system and capitalist values. Of course, in order to do that, there are certain things that we should have done: for example, paying them directly as opposed to indirectly, thereby significantly reducing their overall

compensation package to the workers. As Dr. Choi pointed out, we're talking about unification not how much it affects the North Korean economy. But do you feel that type of economic engagement—for example, let me be more concrete: let's say there are 50,000 workers in Kaesong right now, and let's multiply that by four that is 200,000 because we can assume a family of four people that benefit from this Kaesong Industrial Complex. So, the question becomes, should we follow up with additional industrial complex provided that we can, for example, pay them directly?

In my view I think—and this is Professor Kim's idea also; he originated the idea—but we should probably pay them in Korean currency. If we had to pay cash to North Korean workers to North Korea, we should probably pay in Korean won rather than U.S. dollar. Secondly, for example, in the Korea-U.S. Free Trade Agreement, we should come to an agreement that 100,000 North Korean workers can commute From North Korea to Hunchun or to Dandong so that they can be paid directly and thereby greatly improve their economic status so that they will actually gain actual benefits, which somebody mentioned, a trickle-down effect that will bring about actual change in North Korea. Does this not benefit or improve the chances of future unification?

### **Jung-Hoon Lee**

I think those are separate issues. I mean, setting up industrial parks or industrial complexes in China, I would argue would be quite separate from having something like Kaesong Industrial Park. My point is very simple; I think things like Kaesong Industrial Park should have one or the other of two possible results.

One, that it should have a sort of derivative effect, that it should

lead to other economic industrialization of nearby areas or North Korea as a whole; it hasn't done that, and all it's done is ate up South Korean taxpayers' money, and that's my opinion.

Number two, has it contributed—and this comes back to the original purpose of the Sunshine Policy, which was very noble. I don't disagree with it because the original Sunshine Policy was to seep into the North Korean society in all sectors and levels hoping that North Korea would change, and maybe even become dependent on South Korea, and once that happens it would be much more easy to deal with North Korea, and maybe eventually, even lead to unification. Now has Kaesong done that? I don't think so.

## **J. R. Kim**

I guess we need to clear a few things. First of all, there is no direct government subsidy for companies in Kaesong at this point. There are 123 of them now and not 104; that is old statistics. There is a long line of businesses waiting for the chance to enter or relocating themselves into Kaesong Industrial Complex, provided there is no political conflict between the two Koreas. Also, we should keep in mind that Kaesong Industrial Complex is for the benefit of both sides, not just North Koreans. The government is not twisting business arms to relocate into the complex.

Again, as you pointed out, there is one dimension which the money that goes into North Korea through Kaesong Complex is going into the pockets for who-knows-what. Because as we all know, the Northern economy is divided into three or four sub economies including the military economy, the party economy, the civilian and black economy. We don't really know whether the guys, the authorities controlling or

supervising Kaesong Industrial Complex, are part of the party economy or the military economy but we definitely know that it's not a part of the civilian or cabinet economy.

So, money that goes into North Korea through the channels is likely to go into the party's or military's pockets to beef up their strength, which will help them, sustain their regime. But at the same time, you also have—I don't know whether you call it a residual effect or not—but there is the other dimension which, through this experience, up to 200,000 or more North Koreans get exposed to South Korean market economy.

That may have a greater spillover effect than the small amount of money that goes into corrupt pockets depending on how you look at it. Anyway, I don't know, like a 50 million dollar subsidy that goes into North Korea's pocket through that channel, so I guess when we try to assess the value of things like Kaesong Industrial Complex, we should perhaps assess it for many different aspects and not just one aspect.

### **Hyun Chong Kim (Chair)**

I think one issue that we didn't really touch upon was the economic component and touching upon that, let me just give you some statistical figures. The Chinese economy in the second quarter reported a growth of 7.4%, and that's the first time in many years that it is gone below 8%. For the last 30 years, the Chinese economy has been growing at an average of 10% per year. Whenever there is a decrease of 1% growth in China, you have 6 million people who are unemployed. Every year China produces four million four-year college graduates. This year alone, China's leading export is to the EU, which takes up about 20% of China's overall economy and another 20% to the United States. Let's assume

there's a 30% drop; you're talking about 1.8% drop. If you subtract 1.8 from 7.6, you're talking about somewhere in the mid 5's to high 5's, and that's going to create lots of problems internally for China.

In 2010, China had 92,000 labor unrests and what I think is potential dynamite is that the regional governments have \$1.9 trillion in debt. Of that \$1.9 trillion, 540 billion that's approximately 30% is non-performing. For the Korean audience—let me give you a reference point—our savings bank that we're cleaning up, their non-performing asset is 7-8%. So, when you take into account these numbers, these statistical figures, all of this started from the EU and hit India really hard; now it's coming over to China, which means that for the Korean economy and special manufactures, we have to have a manufacturing base.

We can play around with currency but given the currency war, I mean everyone can engage. But if you have a very, very competitive labor market—so for example, if we decide to engage with North Korea in the next administration and we decided to set up an industrial complex in, let's say, Gyodong-do, which is in the Northern tip of Gwanghwa-do, South Korea, and we invite 100,000 North Korean laborers, that I think would greatly assist some of the South Korean small to medium sized manufacturing companies.

So, there is that component; it is not just about introducing the market-based economy to the North, it is also a benefit to us and our companies. Remember, 92% of Koreans who are employed are employed by small and medium sized companies. 8% are employed by the likes of where I worked, at Samsung, LG, Posco, and what not. We have to bear that in mind, and that's not a simple matter. With the cooling off of the Chinese economy, it is something that we really need to seriously think about for our next administration's policymakers.

We have finished on time, but what I would like to do before we wrap up is, let me just give Jeff Robertson and Dinna a time to wrap up based on what we've discussed.

### **Dinna Wisnu**

It is very interesting that the discussion first started off with the discussion about neutrality of South Korea and how it can be done. I would like to mention that one little change can actually make a difference, and that's between being an ally to the U.S. to a friend of the U.S. That alone can make a difference. The question here that I keep having in mind and I cannot really raise the point is: What is the lowest price that South Korea can accept from the U.S. in terms of their relationship? Do you understand what I mean? What cannot be negotiated in the U.S.-South Korea relationship? I keep wondering about it because that makes a difference in how everybody else is looking at this close sense of relationship between the U.S. and South Korea.

Secondly, when it comes to engagement policy, I very much agree with Professor Lee that engagement policy is a very diplomatic word and it is a must. But countries like Indonesia will take it cautiously too because many things can happen under the word 'engagement.' Nowadays, democratic countries who say themselves democratic can be more aggressive than the totalitarian ones because they think that they are doing the right thing; they are not afraid of imposing what they think is the right thing to other people using force. That, I think, needs to be thought about because that sense of doing engagement for the sake of leading change and posing ideological change through force is not what will be acceptable to the neighboring countries, especially in Southeast Asia.

So, there's a difference between trying to invoke bottom-up rise or

approach so people have more knowledge and more exposure to capitalism or practices or books or whatever; but when it comes to just directly giving them money or weapons or tools to be more aggressive and then rise up, that is a different thing because we've seen that happening in other parts of the world and that's very costly—not only for the countries engaging directly but also to the neighboring countries.

The third part is that it is very easy actually to find ways that are easier than solving problems. What the U.S. is doing at this point, I think, is more like a “shut up and I'll give you money” kind of policy. It's a proven example that there's a distance that cannot be passed by countries with far proximity to North Korea, and that's where South Korea has a different leverage than many other countries when it comes to opening the way and communication with North Korea. That's what I've been trying to say since this morning: if that little gate can be opened bigger for other countries to engage the North Koreans, then this is not going to be just a matter between South Korea, North Korea, and the U.S. or China; other people from other parts of the world can also give them the idea that the outside world, outside of the totalitarian regime of North Korea, is actually also exciting.

### **Jeffrey Robertson**

I guess I'll just reiterate what Dinna said. For a forum which is called “Korean Unification from an International Perspective,” our perspective has been pretty narrow, bouncing from the U.S. to China to the U.S. to China, a little bit of Japan and a little bit of India, but it's not really international. I guess you could expect that, but this is a systematic problem of Korean unification policy in the past that it has been dominated by other states, major power states. But Korea is in a position



nowadays to engage with other middle powers to internationalize its problem, to involve other partners in its quest for unification.

I think KINU is already doing a lot in this direction; they've had engagement with Australian and Thailand partners, and I think you're planning one with Indonesia as well. These are very valuable. I think this is where a really positive step in Korean unification policy could proceed.

**Hyun Chong Kim (Chair)**

As the moderator's prerogative, let me conclude by saying that I think the Korean reunification process ultimately depends on the will of the Korean people. Now, we've seen the will of people lead to unification twice in the 20th century: first, in Austria. After the Second World War, it was occupied by the U.S., Great Britain, France, and the Soviet Union. The leaders were effective in basically forcing out everyone just before the Cold War started; the timing was of critical importance. Germany did it again. I think it really depends on the will of the Korean people to be reunified, and this is something that I think we should always be keeping in mind going forward.

I thank everyone for keeping up with us. Thank you.

